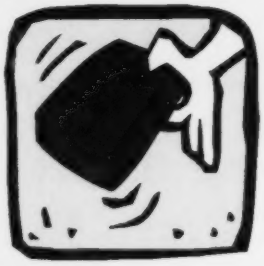
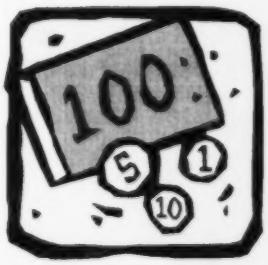
Cash Handling Essentials For Municipal Governments



A "Best Practices" Guide



Second Edition

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Cash Handling Essentials for Municipal Governments

A "Best Practices" Guide

A joint project of:

Municipal Training and Development Corporation

Partners:
Department of Municipal and Provincial Affairs
Newfoundland and Labrador Federation of Municipalities
Newfoundland and Labrador Association of Municipal Administrators
Combined Councils of Labrador

Royal Canadian Mounted Police / Gendarmerie royale du Canada

The Royal Canadian Mounted Police

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Preface and Acknowledgments

Preface

Cash Handling Essentials for Municipal Governments . . . A "Best Practices" Guide *has been prepared to provide useful and practical information concerning the best practices and procedures for handling a municipal council's most vulnerable commodity . . .* ***cash****. Regardless of the type of cash, there is a right way to manage the cash assets of a town.*

"Best Practices", in the context for this manual, are the financial policies and procedures proven to be effective in the wise handling of the cash assets of a typical Newfoundland and Labrador town. The guide is meant to be used by both municipal councillors and administrators, alike.

Although written for the benefit of municipal officials and their staff, anyone who wants or needs to have an understanding or appreciation of the fundamentals of cash handling in a municipality will find this guide helpful.

This guide contains literal interpretations for the simplification of existing provincial legislation governing the financial responsibilities of town councillors, town treasurers, town clerks and town managers. Every attempt has been made to ensure that the contents are accurate and reflect the spirit and the letter of the law. The interpretations are not LEGAL. The corresponding actual legislation will prevail in the event of a challenge. Full reference to the legislation is provided for each interpretation.

Feedback regarding this guide is welcome. Comments and suggestions may be directed to any of the key contacts. Key contacts are found on Page 97 of this guide.

Acknowledgments

The participating organizations wish to thank the following individuals for their outstanding effort in the development of this guide: Corporal Paul Collins, Rodney Cumby, Lori Evoy, Jane Fitzgerald, Bill Follett, Patricia Hempstead, and Lester Pittman.

The development team gives thanks go to all those who, when asked, took time out of busy schedules to review the guide and provide the development team with much needed constructive feedback. Thanks also go to those who provided information helpful to the completion of this manual.

A special thanks to the Certified General Accountants of Newfoundland, for their thorough, professional review of the Guide and for their expert feedback.

Introduction

Introduction

What is "Cash"?

Remember . . . this guide is about handling your town's most vulnerable asset . . . cash. First, we need a common understanding of what "cash" is.

Just what is "CASH", anyway?

Cash is the total of one or all of the following:

❧ currency (paper money and coins) ❧ cheques
❧ credit card slips ❧ money orders ❧ bank drafts
❧ Guaranteed Investment Certificates - GIC's

that your municipality has on hand or in bank accounts from which money can be drawn immediately.

Second, we need to highlight the importance of why you should be concerned about the way cash is managed in your town.

Benefits of Knowing About Cash Handling

Town Councillors will . . .

. . . know about proper cash handling practices and procedures;

. . . be able to develop, establish and formally adopt cash handling policies and procedures based on this knowledge;

. . . ensure that the town's administration follows these policies and procedures by way of regular monitoring for compliance, accuracy and routine financial reporting;

. . . know and understand the reasons why councillors should never handle the town's money;

. . . be vigilant about potential financial discrepancies and take immediate action to have them reviewed by qualified persons

. . . ask for assistance when unsure that the cash handling system meets suggested or legal requirements

. . . understand the issues around potential council and individual councillor LIABILITY in the event that council money is missing due to theft or fraud

For Town Clerks, Town Treasurers and Town Managers . . .

For those of you who are town clerks, treasurers and managers. You can benefit from this information from a number of standpoints:

- **Continuing education . . .** For many of you, the information contained in this guide may be "old hat" . . . for others it may be new and helpful advice. If you already follow sound cash handling practices and procedures, here is an opportunity to review them and reaffirm you're on the right track. If you need to learn more about cash handling then this manual can help get you started.

- **Working cooperatively with the council . . .** Councils and their staff are a team. The information in this manual can help your team to review, develop, establish and implement "best practices" to manage the town's financial assets in an appropriate way.

- **Increased efficiency . . .** Putting in place and using proper cash handling policies and procedures will save you time and money - especially at audit time.

- **Early discovery and correction of legitimate errors . . .** Routine checking and reporting of the financial activity of your town can make it easier to find and correct honest mistakes in recording financial transactions. The longer it takes for mistakes to be uncovered, the more confusing, difficult and costly it is to find errors and make the necessary adjustments to the records.

- **Protect yourself . . .** Poor cash handling practices and discrepancies in the financial records of the town can, among other things, lead council to be suspicious and possibly to make false accusations of wrongdoing against you.

  Even if mistakes were innocent and unintended, the discovery of discrepancies can give council and others a wrong impression. This can be very stressful and embarrassing.

  Insist that council work with you to develop, establish and formally adopt sound financial "best practices". Ensuring that you follow them will go a long way to reducing or eliminating many potential problems.

  Remember: There is no substitute for a solid education and training in accounting and bookkeeping from a recognized post secondary institution.

General Principles and Issues

General Principles and Issues

When Faith and Trust are Not Enough

Our entire economic system is based upon faith and trust. That which serves us so well, creates opportunities and temptations.

A Manager once said, "I trust my employees, I don't want them to think I don't trust them!" The chief executive officer responded:

"You should trust your employees. We hire employees who want to be thought of as good, honest people, contributing to an organization. *We need financial policies, procedures and internal controls so that our employees can be the kind of people they want to be.*

Internal Financial Controls are a Must

Internal financial controls in a broad sense includes controls which may be characterized as either accounting or administrative which are adopted to safeguard assets, check the accuracy and reliability of accounting data, promote operational efficiency and encourage adherence to council policies.

When these controls are not in place or when they are, and council is not regularly monitoring staff compliance with them, the sad reality is that criminal acts of theft and fraud can and do occur.

Financial Reporting and Recording

Having complete, understandable, accurate and comparable financial information available will make it easier for financial decisions to be made not only by municipalities, but also by provincial officials and the general public. This is especially true when these groups are faced with tough decisions surrounding regionalisation, downsizing and alternative program delivery.

Municipal financial reports communicate information to various user groups. They include:

- the public - who provide a significant portion of the revenues and resources necessary for municipal operations;
- council - who are authorized to administer public financial affairs and resources and are accountable for their administration;

- regulators such as the province - who have regulatory authority over municipal operations and financial affairs;
- investors - who provide financial resources to the municipality; and
- analysts - who provide information to the public and other special interest groups.

To meet the needs of those users. Municipal financial reports must provide information that is useful for:

- knowing what is owed and owned by the municipality;
- assessing long-term financial sustainability of the municipality;
- determining the affordability of programs;
- managing liabilities and assets;
- making comparisons between periods and with the approved budget;
- reporting performance and benchmarking; and
- demonstrating stewardship and accountability.

For more information on the need for standards in financial reporting and the objectives of financial statements see Appendix A.

Financial (Fiduciary) Responsibilities

Town Council

Establish financial policies and procedures . . .

Councillors have a legal and moral obligation to the people of their municipality to ensure the proper handling and management of all the town's assets. The town's cash is one of these assets.

Not only must council set in place sound financial policies and procedures, it must ensure that they are followed. In addition, council must regularly monitor the financial records of the town for compliance, accountability and accuracy.

> **NOTE:** For more information on structuring and managing policies and procedures see "Policies and Procedures Development"

Councillors ***must never*** perform any of the administrative duties of the town clerk, the town treasurer, the town manager or any other council staff person.

Also, councillors cannot interfere with or hinder the work of the municipal staff.

?

Did you know that . . .?

Section 21(2) of the "Municipalities Act, 1999 says: "... the mayor is subject to the direction and control of the town council and shall abide by decisions of the town council."

This means that . . .

With the exception of being able to declare an emergency and appoint committees

mayors of municipalities have no special authority over and above that of other councillors.

Mayors cannot legally act without the knowledge and approval of the council as a whole.

Financial (Fiduciary) Responsibilities

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Mayors cannot legally act without the knowledge and approval of the council as a whole.

Establish a Finance Committee . . .

The committee system for the management of the various affairs of a municipal council is desirable and strongly recommended. The work done by committees outside of the regular council meeting, allows council to make more informed decisions in a timely way. Regular meetings run more efficiently and are more effective since council is not bogged down in detail.

The Finance Committee is one of the more important committees that a town council can establish. A typical small town Finance Committee is made up of three councillors who meet outside of regular council meetings to deal with the details of the financial issues of the town. They have no authority to make financial decisions but do make recommendations to council for action on financial matters. Council gets valuable advise and information from the committee which allows for better financial management of the town's assets and hopefully, more wise decisions.

The town manager, town clerk or town treasurer, depending on the administrative set-up, would sit on the committee as an" ex-officio" member and assist the group in their work.

Know where to get assistance . . .

Municipal and Provincial Affairs

- Municipal Analysts of the Department of Municipal and Provincial Affairs are available to do financial inspections and make recommendations to council for improving the financial management system . They will also assist your staff in actually setting up a system suitable for the town's needs and provide training. There is no charge for this service.

- If an inspection is completed by Municipal and Provincial Affairs, Your council should be prepared to review the outcomes of the inspection with the analysts and act promptly on any recommendations.

Council's independent auditor

Some towns are able to have auditors come in and work with the town clerk to do training, review procedures and make recommendations for improvements. In addition, follow-up visits can be arranged with the auditors to monitor progress. The auditor or the auditing firm may charge for this service.

Allow time for staff to do the work . . .

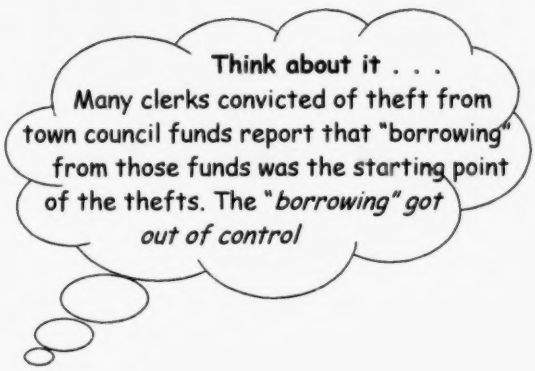
Council must give the staff person or persons sufficient time to perform all the duties that are required of them. This is especially true of the duties associated with managing the town's financial affairs. If they are to be an effective tool for the council, bookkeeping, cash handling and the maintenance of cash records all take time to do properly. For example, the clerk should be allowed sufficient time to do the required banking.

Set up a secure mail system . . .

Develop a system of sending and receiving mail that ensures that all mail sent and received is *known to council.*

Address the problem of "borrowing" council funds . . .

Never allow or condone the "BORROWING" of council funds at any time for any reason, whether it is the receipted cash taken in at the council office, the petty cash fund or the change float.


Think about it . . .
Many clerks convicted of theft from town council funds report that "borrowing" from those funds was the starting point of the thefts. The "borrowing" got out of control

"Borrowing" means the taking of cash, from any or all of the town's sources of cash with the intention of paying it back "later".

The reasons for such "borrowing" may appear legitimate (i.e. to purchase goods or services on behalf of the council) but it constitutes THEFT. It is irrelevant if an IOU was written by the "borrower" to indicate the amount taken. It is also not relevant if the money was paid back.

A simple example of this would be:

A town clerk needs to go to a local store to pick up some envelopes that are needed. Rather than make the purchase out-of-pocket and get reimbursed later or complete a Petty Cash Voucher, the clerk takes a few dollars from the cash that was received that morning for tax payments. Two mistakes have been made:

1. The receipted cash for that day has been tampered with. The cash for the day is no longer intact and the daily cash receipts will not balance with the cash taken in.

2. Procedures for making small amount purchases (petty cash) have not been followed.

Town Manager

The town manager is considered a department head and oversees the management of the town's assets.

Town Treasurer (or the Town Clerk Where There is no Treasurer)

The *Municipalities Act, 1999* allows for the hiring of a town treasurer.

> ***Special Note:***
> *Most towns in the province*
> *do not have a town treasurer's position in place and so*
> ***the* town clerk *assumes the duties of the town treasurer.***

Whether a town hires a town treasurer or the town clerk performs this function, the duties are the same. The following is a guide to the duties that would be expected of a treasurer or the town clerk, where there is no treasurer. The town clerk or treasurer:

a) arranges for the safekeeping of all the funds and securities of the municipality;

b) is responsible for receiving all money paid to the municipality and disburses funds of the municipality in accordance with procedures establish by the council;

c) keeps and maintains records of all financial transactions of the municipality in accordance with accepted public accounting principles and practices;

d) keeps and maintains records of all assets and liabilities of the municipality and transactions affecting the financial affairs of the municipality;

e) compiles, as instructed by the town manager, or where there is no town manager, by the council, financial statements and reports relating to the financial affairs of the municipality;

f) at the end of the financial year, prepares a full and detailed balance sheet and a statement of revenue and expenditure;

g) prepares the operating budget, revised budget and prepares or provides information for the capital budget, and;

h) carries out the other duties that may be assigned by the town manager, or where there is no town manager, by the council.

A municipal council must set in place and its staff must follow a system to receive, secure, spend and keep track of money.

The town treasurer (town clerk) is in charge of the keeping of the town's financial records and for preparing the various financial statements and reports required by the council.

Special Note:

The "Municipalities Act, 1999" states in section 61 that . . .

"(1) A clerk is the secretary to the council and is responsible to it for recording the proceedings and decisions of the council and for the safekeeping of all the documents of the council.

(2) Notwithstanding subsection (1), a council may delegate responsibility for the safekeeping of documents which council may prescribe, to another employee of the council."

This means that . . .

the town clerk or the individual that may be designated by vote of council for the safekeeping of the records must supervise the inspection of public documents authorized for viewing.

Also note:

Section 215 of the "Act" outlines the type of public documents that can be viewed and the conditions which apply.
See Page 21 for a complete list.

No one, unless authorized by a valid court order or a vote of council, may take the original documents away from the council office or chambers.

Policies and Procedures Development

All through this manual councils are encouraged to establish clear policies and procedures regarding the handling of the cash and other assets of the town. In fact, a town council needs to develop numerous policies and procedures around many additional issues and situations. For example: those related to personnel (eg. training, pay rate, leave, overtime compensation), tax collection and remedies for non-payment of taxes, and thawing of frozen water pipes in private homes.

What are policies and procedures anyway . . . ?

Policies are the statements of accepted and approved courses or methods of action to guide and determine present and future decisions. They are like a set of "rules" for dealing with issues and situations that commonly arise in conducting the business of the organization. They tell the employees and the public "what" the organization will do or not do given a certain set of circumstances, now and in the future.

If the policies are the "what" an organization will do, the procedures are the "how" the organization will carry out the "what". They are the specific steps to be taken to follow the policies.

General guidelines . . .

Policies and procedures should be:

- clearly stated in written form
- approved by council at a regular meeting
- reasonable and legal - they cannot allow council or its employees to do anything illegal or override existing laws
- applied equally and fairly
- reviewed from time to time to ensure they are relevant and useful

No policies? Unwritten policies? Unsure?

Write things down . . .

If there are commonly accepted ways and practices of dealing with finances and other municipal matters that are not recorded anywhere . . . write them down in a Policies and Procedures Manual. Council should review the results and decide if they want to continue with the various policies or procedures that have been identified. If so, the written policies and procedures should be approved at a council meeting. If they are no longer relevant, they can be modified for current use and approved or officially rescinded. Additional material can be added if and when required, to complete the manual.

Research the Council Minutes . . .

Some towns have made numerous policy and procedural decisions over time that are "buried" in the minutes of previous council meetings. Some policies and procedures may be in current use or they may have been forgotten as time passes and councils and staff change. Careful research of the previous council minutes will reveal the details of these decisions. The resulting information can then be reviewed and re-approved, adjusted or discarded as the council determines. Approved policies and procedures should be recorded in a manual for this purpose with additional material added, if necessary. (See next section)

Contact Municipal and Provincial Affairs for Assistance . . .

The department will assist any council and their staff to review existing policies and procedures (especially financial) and establish new ones, if needed.

The Policies and Procedures Manual . . .

When policies and procedures are approved at council meetings, they become part of the minutes of the meetings. They should also be recorded SEPARATELY in a Policies and Procedures Manual. If not, then council and staff can lose track of these important decisions over time. People can and do forget what policy decisions were made and when. A simple Policies and Procedures Manual can be developed and easily maintained by:

- using a standard format for recording policies and procedures
- storing them in a three-ring binder. Some municipal administrators prepare such a binder for each councillor for easy reference.

Depending on the number and type of policies and procedures, the binder can be sub-divided or additional binders used. Policies relating to financial matters, for example, could be stored in one section of a binder or in a separate binder as necessary.

- For a sample format for recording policies and procedures see Appendix C on page 79
- See Appendix C on page 80 for a sample of a policy and procedures for "Issuing Receipts"

Financial Policies and Procedures Checklist and Reference

The following is a list of issues and topics related to dealing with and handling cash at the municipal council level. It is suggested that policies and/or procedures be in place for each topic or topic area. This list is not exhaustive and can be added to. You can use this table as a checklist. The page numbers on which you can find information about the topic or issue are indicated in the "Page Reference" column.

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Financial Reports

Regular monthly financial reporting is an essential tool councillors can use to stay updated on the financial activities of the town. Prepared by the town clerk, town treasurer or town manager and reviewed by the council at each meeting, financial reports offer detailed financial information, at-a-glance. Also, reports prepared from council's journals and ledgers provide a necessary "paper trail" of the financial transactions of the town useful in tracking and reviewing the financial activities . The reports can be simple and easily prepared.

Types of Reports that Council Should be Requesting

Financial Transactions Summary

A summary of all the financial transactions for the month. Attached to the "Summary" would be the:

Cash Inflow Report

This is a list of all cash receipts issued including; receipt numbers, date received, amount, date of deposit and deposit amount since the last report. If there are a considerable number of entries to be made, the clerk can have the Journal on hand at the meeting for reference.

Cash Outflow Report

A detailed list of all cheques issued including; cheque number, date cheque was written, the amount, the payee and a description of what the cheque was for. If there are a considerable number of entries to be made, the clerk can have the Journal on hand at the meeting for reference.

Total Adjustments Report

A list of all the adjustments since the last report.

Monthly Bank Reconciliation

The bank reconciliation should be done by the clerk and reviewed, dated and signed by the Finance Committee chairperson or, if the there is no committee, by a council designated councillor. The most recent Bank Reconciliation should be available for review at each meeting of council.

Budget to Actuals Variance Report

Variance analysis is a very effective tool in maintaining financial control. A Variance Report compares the actual expenditures and revenues with the year's budget figures. For those municipalities with computer accounting software, these report can be easily set up and generated. With adequate record keeping in place, manually generated reports can also be produced fairly easily.

There are various methods of reporting the variances; some towns compute the arithmetic difference; others express the differences or variances as a percentage. The variance analysis forms can be completed at the end of every month or at the end of every quarter depending on the needs of your municipality. A sample of a Variance Analysis Form is on Page 88 of this manual.

Petty Cash Fund Report

This report may or may not be presented monthly. It will depend on the amount of petty cash activity. Council should expect this report when the town clerk needs to replenish the petty cash fund. It should contain an itemized and detailed list of all the petty cash transactions since the fund was last replenished.

See samples of reports in Appendix D, beginning on Page 83

Auditing Issues

The *"Municipalities Act, 1999"* requires municipal audits to be done annually, by qualified, licenced auditors. Chartered Accountants, Certified General Accountants and Certified Management Accountants are permitted to conduct public audits provided they are certified by their respective professional organizations and licenced by the Public Accountants Licencing Board. The report of the audit must be submitted to council before June 1 of the year following the year to be audited. The auditors must also send a copy of that report to the minister not more than 30 days later.

There is a mistaken assumption that a typical municipal audit will allow the auditor to pick up on any irregularities in the bookkeeping of the town and in the way that the cash is being handled. This is not to say that the typical municipal audit is not conducted properly or is of no benefit to the town. Where audits are concerned, it is a matter of what information the auditor looks at and what tests are applied to the information. Here are some things about audits that should be known:

- Request your annual audit to be done as early in the new year as possible. Delaying this important activity will make the discovery and correction of any problems more difficult.

  Also insist on a "management letter" from the auditor and request a meeting with the auditor to review and discuss the audit and any recommendations for improvements. (see "management letter" Page 20)

- Just because an audit has been completed, doesn't necessarily mean that all is well. Auditors appointed by the town normally do "statistical audits". In other words, they will spot check certain benchmarks in the financial records and look only at the financial records provided. Clever individuals who are stealing money can provide a "perfect" set of financial records and an auditor may not immediately detect the fact that money has been taken.

- Complete and fully detailed audits of municipal financial records are not normally required. Referred to as "forensic" audits, they require a very detailed and in-depth investigation of all the financial records of a municipality. They are costly and time consuming and are not required by The Department of Municipal and Provincial Affairs.

  FORENSIC AUDITS ARE REQUIRED if a municipality wants the RCMP or the RNC to investigate a suspicion of theft from the town. Since police force fraud units do not perform forensic audits any more, the responsibility rests with the municipality to get the work done and pay for the cost.

  Once a forensic audit is completed and there is evidence of wrongdoing, the COUNCIL MUST REQUEST the RCMP or the RNC to proceed with a formal investigation.

- Be aware that there are two types of audit correspondence that an auditor can provide to a council after an audit has been completed.

  - **Auditor's Report . . .** Your auditing firm will *always* include this report in the audited financial statements it prepares for the town. It states that an audit was conducted, how the audit was done and what was reviewed. The report also expresses the opinion of the auditor as to the financial position of the town as of December 31 of the year of the audit.

  - **Management Letter . . .** This is a document sent to the council by the auditor SEPARATELY from the "Auditor's Report". In the management letter the auditor often suggests important, detailed improvements in the way in which the financial records of the town are handled. This is especially true if they discover serious deficiencies in the bookkeeping, cash handling or accounting practices. Council must pay full attention to the advice given to them and ensure that the deficiencies are corrected in a timely way.

    It is important to know whether or not a management letter has been sent to the town. In the past, in some towns, such letters, criticizing the financial practices of the clerk or other staff or detailing serious deficiencies have been intercepted and withheld from the council.

Some auditing firms make it routine to send a management letter, others do not. Also, management letters prepared by auditors can vary in quality and depth. You are paying good money for your audits. Insist on a detailed management letter. Also, insist that the letter be sent in a way which ensures council will receive it.

- In addition to auditors, the Municipal Analysts of the Department of Municipal and Provincial Affairs often suggest important improvements in the way in which the financial records of the town are handled. This is especially true if they discover serious deficiencies in the bookkeeping, cash handling and management or accounting practices. Council must pay full attention to the advice given them and ensure that the deficiencies are corrected in a timely way.

It would be a good idea to . . .

If you're not sure if your auditing firm sends a "management letter" check with town clerk as well as the firm itself.

Insist that the auditor provide a "management letter".

Arrange with the auditor to send the letter in a way that ensures that council actually receives it.(for example, to the mayor's Finance Committee chairperson's home address)
Also arrange for a copy to be sent to your regional office of Municipal and Provincial Affairs

Why???
Management letters serve to alert the council that there may be irregularities and discrepancies in the bookkeeping of the town. In such cases, auditors may make recommendations for possible remedial action.

Safety and Security

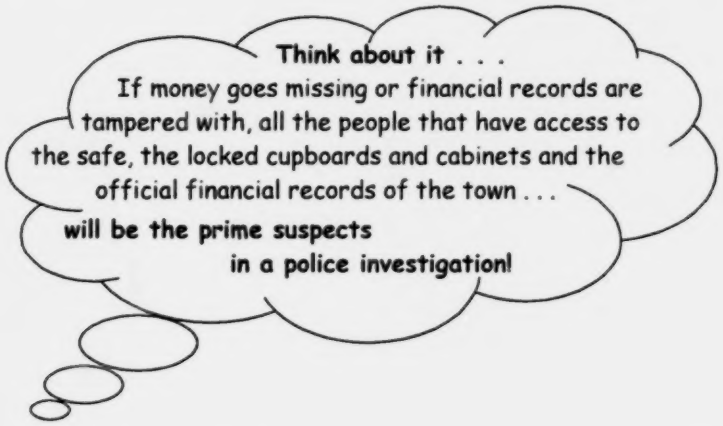
Issues around the safety and security of a municipality's money and records, including the financial records are very important to consider.

The Town Council Office Safe

- Every municipality should have a quality, fireproof safe. It needs to be of sufficient size to secure the results of the town's financial transactions, the financial records and other important documents.

- The security of the combination or the key to the safe and keys to any other security devices is very important.

- The town clerk or the designate as authorized by council, of course, is the *only person* to have the combination or the key(s).


Think about it . . .
If money goes missing or financial records are tampered with, all the people that have access to the safe, the locked cupboards and cabinets and the official financial records of the town . . .
will be the prime suspects in a police investigation!

- Council should have a contingency plan for the possibility that the town clerk or designate is not available due to incapacity, and access to the contents of the safe or other secured documents is required. A resolution of council establishing the details of the contingency plan will be needed. Some suggestions for handling this situation are:

  - Put a copy of the combination or a spare set of keys in an envelope, seal it with the town seal and give the envelope to the town's solicitor or bank manager to hold.

  - Obtain a safety deposit box at a bank and store the combination or keys in the box.

  - Check to see if the company that sold the safe will keep a copy of the combination or the codes to cutting the keys. Many do anyway.

    Note: The details of the access conditions . . . "how, who and under what circumstances" . . . must be clearly spelled out in the resolution and communicated to the appropriate individuals.

- Some municipalities have asked the bank manager to change the combination of the safe, when required. In most cases, the door of the safe is taken to the bank. Bank managers have been known to make "house calls" and come to the council office to make the change. This is assuming that your safe has this feature.

Access to the Official Documents of the Town

- Recall that the town clerk or council approved designated employee has the legal responsibility for the filing, maintenance and safe keeping of the official documents of the town. **This means that:**

  - Councillors and the general public should only have *supervised access* to those official town documents to which they are entitled to view as specified under Section 215(1) of the Municipalities Act, 1999". Such access should not interfere with the normal administrative duties of the town clerk or designate.

Documents for Public Inspection:

- adopted minutes of council
- assessment rolls
- regulations
- municipal plans
- opened public tenders
- financial statements
- auditor's reports
- adopted budgets
- contracts
- orders
- permits
- all other documents tabled or adopted at a public meeting

  - Access should be allowed only during regular office hours at the convenience of the clerk or the designate.

  - The public may take copies of these types of documents away with them. (Council can charge a fee for this service)

  - Council authority should be required for an individual councillor or a committee of council to have access to the official documents that are NOT part of the public domain. (i.e. personnel files, taxpayers accounts). Again, access should be supervised and allowed only during regular office hours.

- The official documents of the town, including the financial records, must never be taken from the town office by anyone.

  Exceptions:

  - Municipal Analysts of the Department of Municipal and Provincial Affairs are permitted access to all the town's records to carry out their job in accordance with the *Municipal Affairs Act.*

  - Council may authorize the town auditors to take the books of accounts out of the town office when conducting an audit.

  - Valid court orders can have the documents removed from the town office.

Bonding Employees Who Handle the Cash

- Anyone who handles the cash and other financial transactions of the town must be bonded. Bonding is insurance against theft or loss of money.

- Many municipalities opt for commercial 'blanket' bonding insurance covering all employees and the council members.

- It is essential that council know the conditions of the bonding insurance.

Bonding Insurance is available from a number of insurance companies. It is best to contact your auditor or insurance broker for advice about a suitable dollar value for the bond or bonds.

?

Did you know that . . .?

The Newfoundland and Labrador Federation of Municipalities offers municipalities a Municipal Insurance Program that includes a minimum of $30,000 for bonding employees?

Job Rotation

- If you have the staff, job rotation should occur from time to time. A general rule is to rotate the financial duties for several weeks, several times a year.

- It is strongly recommended that should the clerk take an extended leave of absence (vacation, personal leave or illness) that an acting clerk be appointed to fill in. This can serve the same purpose as job rotation.

  Note: The town clerk or council appointed clerk-designate retains the overall responsibility, at all times, of the council records.

Reduce the Amount of Currency on Hand

- Set a limit on the amount of receipted cash that can be on hand in the council office.

- Make frequent deposits. Daily is best, especially if large amounts of cash are handled each day. Weekly is the norm. Monthly, if the town is small with limited financial activity or at a distance from the bank

- Acceptance of payments using credit or debit cards reduces the amount of cash on hand in the office. There is, of course, a cost to the town to provide this service.

- If you are going to set up such a system . . . USE ELECTRONIC EQUIPMENT. The record slips generated when using a manual system must be treated as if they were cash.

Bonding Insurance is available from a number of insurance companies. It is best to contact your auditor or insurance broker for advice about a suitable dollar value for the bond or bonds.

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Procedural "Best Practices"

Procedural "Best Practices"

Each main topic of this chapter has one or more of the following components:

- a basic introduction to the "best practice"
- a general principles section
- a "best practices" section directed to the town clerk
- a "management suggestions" section directed to councillors

it is important for councillors to pay close attention to the information directed to the town clerk. Remember, one of the council's financial responsibilities is to establish and monitor policies and procedures related to the handling of the town's cash assets. Councillors need to know not only WHAT the clerk should be doing, but IF she or he is doing it and HOW WELL.

Accepting and Receipting Currency and Cheques

Currency and cheques must be handled and managed properly. Please note that with the exception of a couple of differences, all are dealt with in the same way. Currency is more susceptible to theft than cheques and other negotiables and therefore needs special attention. The following steps will help you to achieve adequate control over these assets.

Accepting Cheques . . . General Principles

Did you know that . . .?

Cheques are, technically, not "cashed" but "negotiated" and "liquid currency" in the form of coins or paper money is received in return for the cheque

- Council should accept cheques only if the cheque is:
  - **a council approved 1st party cheque:**
    - a personal cheque drawn on a taxpayers bank account, payable to the town and presented or mailed by him/her to make a payment on taxes or some other council issued bill. Cheque amounts should not exceed the amount of payment to be made on a council issued bill UNLESS the excess is to be credited to the taxpayer's account as a *pre-payment.* **Also, personal cheques of council staff should not be cashed from council funds, except for payment of taxes.**

- a provincial or federal government cheque, payable to the town (e.g. MOG)
- a personal cheque, payable to the town, presented or mailed for reasons other than taxes or council bills (e.g. donations)

- **a council approved 2nd party cheque:**
  - a cheque written on an established business bank account and is presented by the person named on the cheque, to make a tax payment.
  - a government cheque being presented to the town by the person named on the cheque to make a payment on taxes .

- Never "change a cheque" for money without payment being made on taxes or other council levied bills.
- Never accept 3rd party cheques . . . a third party cheque is one not originally made payable to the town or to the taxpayer.
- Always issue the receipt and enter into the deposit book the name of the person who presents the cheque to the town.
- Council should establish a policy:
  - listing the types of cheques that are "approved" for acceptance. The council, together with the clerk, should examine the types of cheques that are frequently presented at the council office and make policy based on that information.
  - limiting the amount of cash to be returned to a taxpayer when the face value of a council approved cheque is in excess of the proposed payment of the council imposed taxes or bills.

Issuing Receipts . . . General Principles

The preparation and issuing of a receipt by a municipal town clerk is a written verification or statement that funds have been received on behalf of council.

- ***Always issue a receipt*** whenever money is taken in for council, be it in the form of currency, cheque, money order, or a bank draft. Issue a receipt whether one is requested or not.
- Accept money for council only during regular business hours in the council office when it is possible to issue an official town receipt for it.

Remember . . .

Councillors should never at any time accept cash or cheques from taxpayers or others who owe the council money. Only municipal staff should do this during regular council office hours so an official receipt can be issued

- Many government departments do not request receipts for cheques sent to the town (i.e. cheques for MOG, HST, GST and other grants etc.) **Issue a receipt anyway.**

- Purchase an appropriate receipt book. The receipt book should be large, with four or five receipts per page. The receipts should be pre-printed with the name of the town, pre-numbered in sequential order and must have provision for self-duplication (carbon copies) of the original receipts.

- ***Safeguard all unused receipts!***

Issuing Receipts . . . Best Practices . . . Town Clerk

Procedures for Issuing Receipts:

- When money is received in the form of a cheque or money order, *immediately and always* stamp the back of the cheque or the money order with "for deposit only to the credit of . . . " and the name of your municipality.

- Use the proper receipt books . . . receipts should be pre-printed and

  - ✔ in a book format with four or five to a page
  - ✔ pre-numbered sequentially i.e 001, 002, 003
  - ✔ self-duplicating or using carbon paper
  - ✔ recorded in the Cash Receipts Journal in numerical order

- Prepare the receipt, including all the pertinent information and clearly indicating what the money was for

- Send or give the original to the individual, company or organization.

- If a receipt is **not** requested by the payer... ***prepare and give or send a receipt anyway.***

- When writing a receipt for a cheque, always record the cheque number on the receipt AND write on the receipt ; "If cheque not cleared for payment, this receipt becomes null and void". You can have this information printed right on each receipt.

- **Never write a *cash* receipt for post-dated cheques.** Issue and send the official receipt for a post-dated cheque on the day it becomes due.

  Note: You can issue a "*Notice of Cheque Received*" which simply acknowledges that someone has presented the council with a post-dated cheque. ***IT IS NOT A RECEIPT!*** This fact should be clearly stated on the notice and also the fact that an official receipt will be issued when the due date is reached.

Sample

Town Council of Anytown
Notice of Post-dated Cheque Received

Current Date _____

Post-dated cheque received from _____

Amount _____ $ _____

For _____

Post-date on Cheque _____

_____
Signature of the Town Clerk

This is NOT an official receipt
An official receipt will be issued on the due date for the cheque

- After writing up a receipt, check the quality of the copy as it is your record of having issued the receipt. If using carbon paper, don't overuse and always keep fresh carbon paper on hand.

- ***If an error is made in writing a receipt or if the receipt must be cancelled . . . write "VOID"*** across the receipt and staple the receipt to the office copy and leave in the receipt book. If the receipt has already been removed from the book, match it up with the corresponding copy in the book (receipt numbers will match), and staple the two together and write "VOID" across the receipt. In either case, ensure "VOID" is written on both the receipt and the copy.

- ***In a computerized accounting system*** where manually produced receipts are issued on a temporary basis . . . such receipts, when issued, should be clearly marked "TEMPORARY". The official receipts are then forwarded when they are available.

Issuing Receipts . . . Management Suggestions for Council

As council, you need to . . .

- ✧ familiarize yourself with the office procedures for your town
- ✧ ensure that all the administrative office staff are following the council's approved policies and procedures
- ✧ occasionally ask to see the receipts and check to see if receipts match the deposits being made
- ✧ from time to time, check to see that receipt books are used in numerical order and that none are missing (e.g. 001 to 200 and 201 to 400 etc.)
- ✧ if you can, have monthly bank reconciliations conducted by someone OTHER than the person preparing the deposits.

What about bank reconciliation . . .?

- ❧ if there is a Finance Committee in place, the chairperson of the committee should review the reconciliation monthly
- ❧ if there is no committee, then council should appoint a councillor to do the job on a monthly basis

Whether it is the Finance Committee chairperson or a councillor who is appointed to review the reconciliation, it should be done during the normal working hours of the town clerk.

"Red Flags" Related to Receipts

Random checks of the receipting system need to be made by council.

Be aware of the "red flags" that something may be wrong with the receipting procedures: **Here are some "red flags" to look for and some suggestions for what to do about them BEFORE you contact Municipal and Provincial Affairs** :

- receipts are missing or out of sequence when recorded in the Journal
- receipt book(s) are missing or used out of sequence

✔ **What to do . . .** Account for all the receipt books in the town office. Do this by examining the printing company's invoice or, if invoice is unavailable, contacting the printing company that did the work and request the information on the quantity and numbering sequence supplied by the firm.

- tax accounts, especially commercial ones, appear to be in arrears
- late depositing of large cheques
- large cheques deposited with no receipt issued

✔ **What to do . . .** Check for the issuance of receipts for cheques known to be for large amounts (e.g. government issued or sent by the local fish plant). If you know that a cheque should have been received by a certain date and no receipt can be found in the receipt book . . . call the company or government department and verify the details. Check to determine when the cheque was sent, when it cleared the bank and if it was receipted.

✔ **What to do . . .** List outstanding accounts with a collection agency. Individuals, companies and those who have paid on their accounts will be quick to point out this fact to the council.

- any changes made to the copies of the receipts or where they are recorded in the receipts journal
- **originals** of voided or cancelled receipts are missing from the receipt book

✔ **What to do . . .** Regular comparison of the receipts to the deposits is recommended. Regular can mean daily, weekly or monthly. Also, the clerk should be instructed to attach the original copy of a void or cancelled receipt to the office copy.

Did you know that . . .?

The Newfoundland and Labrador Federation of Municipalities offers a financial collection service at reduced rates

Tax Statements

For tax accounts for the current year are not paid in full or if a taxpayer is on an approved payment plan, it is recommended to **send tax statements on a monthly basis**. If a tax account is fully paid, the taxpayer should receive a statement of account in the month the payment was made.

Making Deposits

The *Municipalities Act, 1999* states:

"The council shall open accounts in a financial institution approved by the council and shall deposit to its credit all money received by it."

. . . Section 76 (1)

Note: Credit Unions can serve as a "bank"

It is very important to make regular bank deposits of the cash received by the council. This practice keeps you organized, reduces the likelihood of "cash confusion" or of being tempted to use the cash to pay bills.
It also reduces the opportunity for theft.

Making Deposits . . . General Principles

- Cash should be balanced to the corresponding receipts at each deposit
- It is recommended to balance the cash daily. If this is not possible then it must be done, at least, weekly.

  Occasionally errors are made. Balancing the cash daily will provide a good chance to find them. It becomes much more difficult to find errors if the cash is not balanced for a long period of time. Balancing the cash on a daily basis is important for two key reasons:

  - Errors made in recording the financial transactions can be picked up quickly.
  - The necessary adjustments to the financial records, as a result of any errors, can be made or noted in a timely way.

- Establish an maximum overage and underage allowed and a maximum time frame to resolve, if the error cannot be detected.
- Someone other than the town clerk should observe and verify the balancing of the cash on a frequent and regular basis.
- When deposits are made, the deposits made should equal the amount of cash receipted in the period since the last deposit.
- Never keep large amounts of money on hand in the council office. Make, at least, weekly deposits or more frequent ones when you are receiving large amounts of money on a daily basis (i.e. municipal tax paying time).
- If you maintain a change float (see Page 36) . . . when preparing a deposit, cash equal to the exact amount of the change float will remain in the cash box.

Making Deposits . . . Best Practices . . . Town Clerk

Procedures for Preparing a Deposit:

- Separate the change float from the rest of the cash on hand;
- Add the total amount of the receipts issued since the last deposit
- The result is the amount of cash that *should* be on hand when the cash is counted this time.
- Count the cash on hand;
- Compare the actual cash on hand with what should be on hand and note the difference . . . it should equal zero;
- If the difference is NOT equal to zero, review and recheck your figures, the arithmetic and the transactions and follow the policy on overages and underages.

  NOTE: If the cause still cannot be found, call Municipal and Provincial Affairs for assistance. If the cause still cannot be found, make a note for the auditor AND advise the council.
- Deposit the ALL the cash on hand in the usual way.

An example:

You are getting ready to make a deposit.
Council has approved a $100.00 float

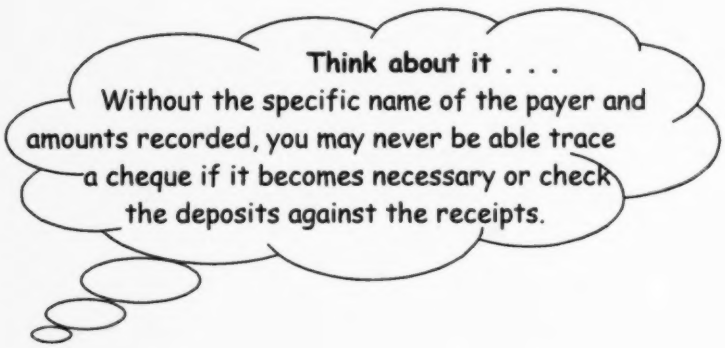
- Separate the $100.00 float from the rest of the cash and set aside
- Total receipts since last deposit
  receipt # 0768 to # 0776 . . . . . $750.00
- Cash *required* to be on hand at present . . .$750.00 (Total of amounts recorded on receipts # 0768 to # 0776)
- Count the cash on hand. There should be $750.00
- Compare the actual cash on hand with the amount of cash that should be on hand and note the difference which, in this example, is zero.
- Put the $100.00 float back in the cash receipt box
- Deposit the current cash on hand of $750.00.
- The next deposit should start with receipt # 0777.

Procedures for Making Deposits at the Bank

- Prepare your deposit form, ensuring that you record the *name of the payer and the specific amount of each cheque* on the deposit form and not just the total of the amounts being deposited.

- You should record the range of receipt numbers for the deposit you are preparing. Since there is little room on the deposit form for this information, record the range of receipt numbers for the deposit on the *back of the previous deposit form.*

  For example: If the range of receipt numbers for the deposit you are preparing runs from # 0768 to # 0776, then write "Receipt # 0768 to # 0776 on the back of the previous deposit form (the office copy) in your deposit book.


Think about it . . .
Without the specific name of the payer and amounts recorded, you may never be able trace a cheque if it becomes necessary or check the deposits against the receipts.

- At the bank, make sure to get the bank's date stamp on the council's copy of each deposit form.

- Ensure the safe keeping of the bank date-stamped deposit form duplicates

Procedures for Banking "At-a-Distance"

- Prepare the deposit form just the same as if you were going to make a regular bank deposit. If you do not use forms that automatically make two copies plus the original, make a photocopy of the original to send to the bank. The bank should be requested to date-stamp the copy at the time of the deposit and send it back to the town by return mail;

- Place the completed form(s), the photocopy(ies), if using, the currency and the cheques in an envelope, seal it, record the date and the amount of the deposit on the outside of the envelope and place it in the safe;

  HINT: Send a self-addressed stamped envelope along with the deposit information. The bank should be instructed to return date-stamped copies of deposits using this envelope.

- Once a week, make an actual bank deposit of this collection or mail the collection of "deposits" to your bank.

Special Information About Banking by Mail

- Use Registered Mail if you are sending cash in the mail. Since sending coins and bills in the mail is not advisable you should use the following method.

  At the post office, FOR EACH OF YOUR DAILY "DEPOSITS":

  - ➤ convert the cash portion of the deposit to a *postal money order,* payable to the town;
  - ➤ seal the money order, the cheques with the completed deposit form (in duplicate) in an envelope;

    Note: remember to stamp or write on the back of all cheques **"For deposit only to the credit of . . . <<and the name of your town>>"** ;
  - ➤ So, if there are five daily "deposits" . . . there will be five separate envelopes each with a completed deposit form, a money order (if there was cash to deposit) and any cheques sealed inside;
  - ➤ Put all the envelopes in one large envelope and send it to the bank by registered mail;

NOTE: NSF cheques can and do occur.
Please refer to Appendix A " Dealing With NSF Cheques"
on Page 77 of this manual for information
on what to do when a bill payer's cheque is returned NSF.

Establishing a Change Float

A Change Float is a small amount of money ($50 to $100) which is kept on hand *for the sole purpose of making change*. It is not the same thing as the Petty Cash Fund

- With council approval, a change float can be set up by issuing a cheque to the town clerk for the amount needed.
- Keep the float with receipted money and in the office at all times.
- When money is deposited in the bank, remember the change float will be kept on hand in the council office and NOT deposited in the bank.

Making Deposits . . . Management Suggestions for Council

As council, you need to:

- establish a bank account.
- establish policies regarding the frequency of preparing and making deposits and whether they will be made directly by the town clerk or done by mail.
- make a policy limiting the amount of cash on hand at the council office.

  The frequency depends on the amount of cash received by the town office during given periods of time. Daily is best if large amounts of cash are handled each day (e.g. tax time). Weekly is the norm. Monthly, if the town is small with limited financial activity or at a distance from the bank.

  The method will be determined by the distance the town is from the bank. Banking by mail poses some problems with establishing certain financial controls and should be chosen only as a last resort. (see "Procedures for Banking "At-a-Distance" on Page 35).
- periodically arrange for a councillor to observe the balancing of the cash by the town clerk AND the making up of deposits. Note: Council should pass a motion to establish this policy and designate a councillor to be the observer (the Finance Committee Chairperson, for example).
- Establish a policy and the procedure for dealing with overages and underages. Set the dollar limit, the time frame to find the error and the procedures to take if the error cannot be detected.
- **allow only the town clerk to make deposits.**
- give the town clerk sufficient time to balance the cash, prepare the deposits and travel compensation to make direct deposits at the bank at the frequency agreed.

  For example, close the office for business, ½ hour earlier than usual. There are a number of administrative tasks that town clerks find hard to find the time for in a busy office. A little extra time without interruptions would be appreciated.
- make arrangements for the office to be covered if the town clerk must take considerable time to do council banking (drive a fair distance to the bank or wait in long line ups, as happens with some satellite banking services). Have someone come in and answer phones, issue receipts and so on or install a message management system.

- set a policy and procedure for dealing with NSF cheques. Have the clerk post the council's policy in a prominent place in the council office and include on tax invoices and tax statements. (see Page 77 for more details about dealing with NSF cheques).

- establish policies for the establishment of the change float, setting the amount and then monitor the float to ensure compliance with the policy.

If council elects to bank by mail . . .

- meet with your bank manager and insist on the bank's sending, by return mail, a DATE STAMPED copy of the deposit form.

  HINT: Allow the town clerk to send a self-addressed stamped envelope with the deposit to make it easier for the bank to send council's date-stamped copy back to the town.

- If the bank you presently deal with is resistant to the idea of sending date-stamped copies of the deposits back to the town, then shop around for a bank that will meet your requirements.

Making Expenditures

Council has the overall responsibility for all payments made on behalf of the council. There are three basic steps in making expenditures:

1. Authorization of expenditures
2. Authorization of invoices
3. Issuing of cheques

Each step has general principles which apply.

Authorization of Expenditures . . . General Principles

- Expenditures, as a rule, must receive prior approval from council before they can be made. Normally, expenditures will have been approved by council through the adoption of the annual budget. Expenditures that were not approved in the budget AND those in excess of a pre-determined amount, as set by council, must receive authorization at a council meeting before the expenditure can be made.

- Expenditures should be tracked continuously and routinely compared to the budgeted figures. This allows the town clerk to alert council to possible overruns of the budget allocations. Clerks must report potential overruns to council as soon as they become aware of the situation. This will allow council to make timely and appropriate decisions about budget detail adjustments.

Exceptions:

- The town manager has the right to expend money or enter into contracts on behalf of council, up to a pre-determined amount established by a resolution of council. (*Municipalities Act, 1999 Section 58*)

- Where, in the opinion of the town manager, there is an emergency situation, the pre-set amount can be exceeded by the town manager, but must be reported to council at their next meeting. *(Municipalities Act 1999, Section 58)*

- Whenever council proposes to spend in excess of the pre-set amount, it shall require a recommendation of the proposed expenditure from the town manager prior to its approval. If this recommendation is not received in a reasonable time, council still has the right to approve the expenditure and is not bound by the town manager's recommendations. *(Municipalities Act, Section 58)*

- Petty cash expenditures

Expenditure Pre-Authorization

- Council can provide the town clerk pre-authorization to pay routine monthly bills for expenses such as the payroll, hydro and telephone before being officially approved at a council meeting.

- This allows advantage to be taken of any discounts available for prompt payment and avoids interest charges on overdue accounts.

- Any bills pre-paid in this manner still must be approved after-the-fact at the next council meeting.

- This blanket authorization should be renewed annually in January. A resolution of council is required to renew this authority.

Authorization of Invoices . . . General Principles

- All invoices must be authorized for payment at a council meeting.

- Approve ONLY ORIGINAL INVOICES . . . no photocopies. If necessary, request another original invoice from the company you wish to pay.

- Be observant not to mistake a credit note with an invoice (it has happened enough to mention this point). In today's computerized system, invoices and credit notes are often very similar in appearance but give you two completely different types of information:

AN INVOICE IS . . . the bill received from a company, organization or individual indicating that the council owes money for services provided or goods purchased by the council.

A CREDIT NOTE IS . . . a notification to the council by a company, organization or individual that council is owed money by the company, organization or individual.

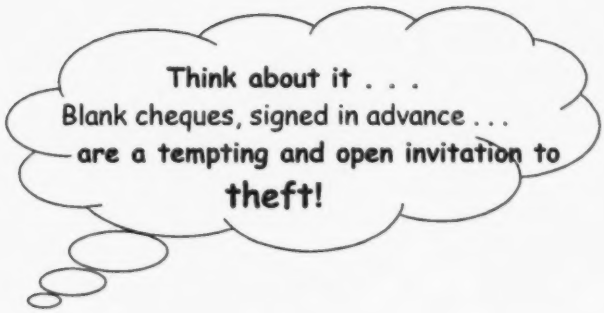
Issuing Cheques . . . General Principles

- All disbursements should be approved by council at a meeting, made BY CHEQUE and supported by:
  - An invoice or written request for council funding or a donation; OR
  - a properly authorized cheque requisition (eg. for pre-payments like NLFM or NLAMA conference registrations, for donations, council contributions or grants to community organizations or travel advances). These requisitions must be supported by appropriate written back-up information (letters of request, copies of registration forms, grant applications by community groups, etc.)
- **Never pay bills with receipted currency!!**
- Any cheques payable to staff or any other individual, as an advance for making a purchase for the town or for pre-payment requirements, must be strictly accounted for. This accounting is done after the purchase or travel using invoices and the same procedure as for petty cash.
- In a manual system, cheques should be pre-printed, sequentially pre-numbered and detachable from a stub on which can be written information about the cheque.
- If computer generated cheques are being used, they also should be sequentially numbered. Ensure that password protection for the cheque writing function of your computer system is adequate.
- Consider investing in a "Security Cheques" or 'Cheque Protector" system.
- Occasionally, emergencies arise which require an individual to make a purchase on behalf of the town using their own money. These purchases should be reimbursed to the individual only when approved by council and supported by an invoice and a receipt. These situations should not happen very often. Where possible, pre-payment cheques for supplies or other goods should be drafted for the exact amount of the purchase and supported by the receipt or paid invoice afterward.

Signing the Cheques . . . General Principles

The *Municipalities Act, 1999* states:

" All cheques or orders withdrawing money from an account of a council ***shall*** *be signed by the mayor or deputy mayor ... or in the absence or incapacity of both of them, by a councillor, designated for that purpose by the council, and countersigned by the treasurer or where there is no treasurer, the clerk."* . . . Section 76 (2)



- IF THE TOWN CLERK IS UNABLE TO COUNTERSIGN (e.g. holidays, illness): council must designate an "acting" town clerk to countersign cheques.

  Remember: to make provision at the bank for the acting town clerk's signature.

- IF THE MAYOR IS UNABLE TO SIGN CHEQUES: The Deputy Mayor or the designated councillor can sign . . . for example, the Deputy Mayor and the Chairperson of the Finance Committee or, if there is no committee, another councillor designated by council for that purpose.

- ***Never pre-signed cheques***

- ***Maintain control of all unused cheques. Safeguard them!***

- ***Cheques must be issued in sequential order***

Making Expenditures . . . Best Practices . . . Town Clerk

Get Credit When Credit is Due . . .

- If you do regular and frequent business with the individual, organization or company, and you want to take advantage of the credit, watch to make sure that the next time you do business, you get the appropriate deduction from the bill.

- If the business conducted is normally infrequent, a one-time only deal or a large amount of money is involved; with councils approval, request the return of the value of the credit.

- Credit notes need to be brought to the attention of the council. Staple the credit note to the invoice or statement it pertains to and present to council for their information. Ask for instructions as to how they want you to deal with the note.

Procedures for Issuing Cheques:

Standard pre-council meeting procedures . . .

- Date stamp all invoices, letters of request, grant applications etc. immediately when they are received at the town office;

- Verify the details of the invoices;

- Prepare a *list of invoices, requests and related information* for circulation to council in advance of the council meeting;

- Have the actual invoices and other documentation available at the council meeting and don't forget to include the pre-paid invoices (e.g. utility bills) as they must be formally approved at the meeting, as well;

At the council meeting . . .

- At the meeting, as each invoice or funding request (pre-paid invoices included) is approved by council:

  - record the invoice and request details in the minutes of the council meeting
  - have a councillor stamp the invoice or request, "Approved"

After the council meeting . . .

- Prepare the cheques for the approved invoices and requests, fully completing the cheques and the cheque stubs in preparation for signing and countersigning;

- Have the cheques signed and the cheque stubs and supporting invoices and backup documentation for the requests initialed by the other cheque co-signer . . . countersign the cheque;

- Record the cheque's number on the supporting invoice or request documentation and on the list presented to council;

- Stamp all paid invoices and request documentation "PAID" and record the date;

- Send the cheques out promptly, for example, the next business day;

- File the invoices or request documentation in alphabetical order by name of the business, organization or individual.

Here is a good idea . . .

You can streamline the procedure outlined above by having a stamp made similar to the one below. We got the idea from the Town of Norris Arm. (thanks, Norris Arm)

Date: _____

Checked by:_____

Approved by: _____

Meeting date: _____

Cheque No: _____

Date Paid _____

Before the council meeting . . .

- Stamp each invoice or funding request as it arrives at the council office.
- If an invoice, verify the details to ensure that everything is correct and the goods or services were received in order and sign the "Checked by" section.
- Make a list of the invoices and requests for circulation to council prior to the meeting.

At the council meeting . . .

- At the council meeting and as each invoice or request is approved:
  - the councillor responsible for signing approvals will sign in the "Approved by" section,
  - the "Meeting date" section is completed, and
  - the invoice or request details are recorded in the minutes of the council meeting

After the council meeting . . .

- Prepare the cheques and record the cheque number in the "Cheque No." section.
- Proceed as per the standard approach.

Dealing with Cheque Writing Errors

- ALWAYS correct errors immediately when you become aware of them
- If you have made an error in writing out a cheque, immediately write the word "VOID" in large letters across the cheque AND on the cheque stub.
- Remove the signatures entirely or make a "V" cut into the signature area removing a portion of the signatures.
- Fold the voided cheque in half . . . and staple it to the BACK of the stub (so the stub information is visible) .
- If you have not already done so, record the number of the voided cheque in the cash disbursements journal and write "voided" as a note of explanation.
- Prepare a new cheque with the correct information.
- Record the details of the new cheque in your cash disbursements journal including a reference to the number of the voided cheque.

Storing Cancelled Cheques

Cancelled cheques are those cheques that have been approved and written on behalf of council and ***cleared through the bank*** and returned by the bank to the council along with the monthly bank statement.

Remember . . .
"Voided" cheques are NOT cancelled Cheques

When cancelled cheques are returned monthly by the bank

- keep all cancelled cheques together with the corresponding bank statement.
- place in an envelope, or use the envelope that the cheques came in from the bank, label and date it, then seal.
- store together and in the safe place until needed. An empty cardboard envelope box is ideal for this.

Making Expenditures . . . Management Suggestions for Council

As council, you need to . . .

For pre-authorized payments . . .

- EVERY JANUARY establish, by resolution, a policy which authorizes the town clerk to pay ROUTINE recurring expenses prior to their formal approval at the next council meeting.

- REMEMBER . . . *never pre-sign cheques for ANY purpose!* Instead, specify, in the resolution, which one of the signing officers will come to the office between council meetings to sign cheques that must be drafted outside of the regular meeting schedule. (Includes payroll cheques, as well)

- This person needs to make sure that the information on the cheques and the cheque stubs agrees with the details on the invoices. i.e. the payee, the amount and what the invoice was for. The invoices and the cheques stubs should be signed or initialed by the signing councillor.

For paying bills and issuing cheques . . .

- Establish and adhere to the following procedures for paying council bills, grants and donations:

  - *for councillors authorized to sign cheques. . .* before signing any cheque . . . ensure that the information on each cheque and cheque stub agrees with the details on the corresponding approved invoice, grant or donation request. Cross-check the payee, the amount, what the invoice or request was for and the date on the cheque. Also **make sure the invoice or request is an original.** This is especially important for reimbursing travel claims. Council needs to make every effort to ensure that travel reimbursements are not being made from other sources.

  - ensure that the correct cheque number is recorded on each invoice or request and on the list of council approved invoices and requests and that the documents are initialed and stamped, "Approved". If using a fill-in-the-blanks stamp such as the one described earlier, sign in the "Approved by" section.

  - initial or sign each invoice and request and *initial* its cheque stub before signing the cheque.

  - sign the cheque . . . cheques should be signed by the Mayor, Deputy Mayor or the designated councillor and countersigned by the town clerk last.

When Council Discovers an Error in the Information on a Cheque . . .

- ✧ immediately write "VOID" on the front of cheque and the cheque stub and *instruct the clerk to:*

  - remove or "V" cut the signatures
  - fold the voided cheque and staple it to the back of the stub so that the stub information can be seen;
  - prepare a new cheque;
  - update the cash disbursements journal to reflect the voiding of a cheque and the issuance of a new one.

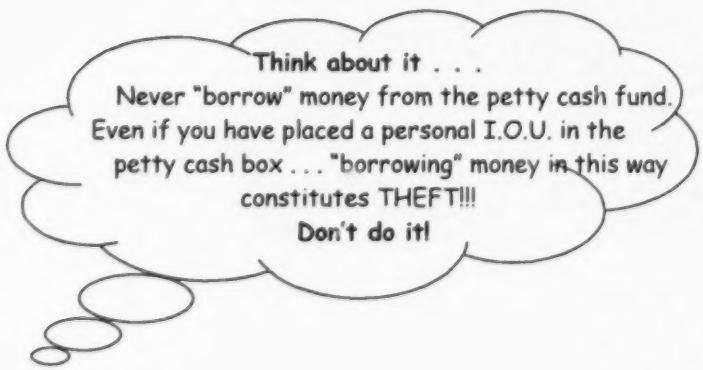
Handling Petty Cash

Although payments should be made by cheque whenever possible, it is not always practical to do so. A cheque may not be acceptable in some situations (for example, for postage, freight charges due, for a taxi fare or for other small amount expenditures.) Also, no authorized cheque may be available when an expenditure must be made. (Remember: never have pre-signed cheques on hand).

To meet this need for *small cash payments*, the town clerk may, with council approval, set up a ***petty cash fund.*** To establish a petty cash fund, a certain sum (say, $100) is set aside for this purpose.

Establishing a Petty Cash Fund . . . General Principles

- ✧ Establish a SEPARATE PETTY CASH FUND. DO NOT USE RECEIPTED MONEY OR THE CHANGE FLOAT for this purpose. Follow the procedures for setting up a petty cash fund set out in the "Best Practices . . . Town clerk" section below.


Think about it . . .
Never "borrow" money from the petty cash fund.
Even if you have placed a personal I.O.U. in the petty cash box . . . "borrowing" money in this way constitutes THEFT!!!
Don't do it!

- ✧ No bookkeeping entry is needed INITIALLY when cash is drawn from petty cash. A Petty Cash Voucher must be completed EACH TIME the fund is used, however.

- ✧ If clerical duties in the town office are shared, then each person needs to have his or her own petty cash fund AND petty cash box.

- For an active petty cash fund with frequent withdrawals, a special **petty cash journal** may be created to record the transactions of the fund.

- **The petty cash voucher** is completed by the Petty Cash Clerk who is responsible for the petty cash at the time of the payment.

The Petty Cash Voucher

Part One

Anytown Town Council
Petty Cash Voucher

Voucher Number _____ Date _____

Paid to _____

For _____

Amount _____ $ _____

Payment received by _____ Approved by _____
(Petty Cash Clerk)

Part Two

Date _____

Amount spent : $ _____
PLUS
Amount returned: $ _____
EQUALS
Amount requested $ _____
(See Part One above)

Attach receipt, invoice or sales slip

_____
Signature of Requisitioner

_____
Print Name

_____
Signature of Petty Cash Clerk

_____
Print Name

Part 1 of the voucher records who received the money, the amount, the date and the purpose of the expenditure can be used:

- **as a receipt** - when goods or services are received at the office

- **as a receipt** - when reimbursing someone for making a necessary and approved purchase for the town using their own money.

- **as an advance** - when someone must go to a supplier and the cost of the small purchase item or items may not be known and cannot be determined. An amount sufficient to cover the cost is advanced to the person making the purchase.

Part 2 of the voucher must be completed when an advance is issued. Stationers carry pre-printed petty cash forms or you can develop your own.

Handling Petty Cash . . . Best Practices . . . Town Clerk

Procedures for Setting Up a Petty Cash Fund . . .

- Write a cheque (say for $100) payable to "Petty Cash - <name of the Petty Cash Clerk>", cash the cheque and have it broken down into small bills with some coins;
- Get some customized pre-numbered printed Petty Cash Vouchers made for the town and buy a good quality cash box that can be locked;
- Keep the money in a locked *petty cash box* and allow only one person at a time to be responsible for the box and the petty cash transactions;

  REMEMBER: If the clerical duties are shared then each person must have a petty cash fund and cash box of their own.

Using the Fund in the Council Office

An example explains the procedures in the town council office:

Spare parts for the town truck have arrived from the supplier by Malone's Taxi (Mike Malone- owner and operator). The town has an account with the supplier but the taxi delivery charges are not included. The cost of the delivery is $10.00. Marie Walsh, the petty cash clerk will:

1. get an invoice from Mike for the delivery charges
2. complete Part One of a Petty Cash Voucher and sign the "Approved by" section
3. get $10.00 from the petty cash box and give it to Mike and get him to sign the "Received by" section on the voucher
4. give Mike a copy of the voucher for his records
5. staple the voucher to the invoice and place both in the petty cash box.

Example of in-office use of the Petty Cash Voucher

Part One

Anytown Town Council
Petty Cash Voucher

Voucher Number 01 Date Oct 4, 2000

Paid to MALONE'S TAXI

For DELIVERY - COUNCIL TRUCK PARTS

Amount TEN DOLLARS $ 10.00

Payment received by [signature] Approved by Marie Walsh.
(Petty Cash Clerk)

Part Two

Date _____

Amount spent : $ _____
PLUS
Amount returned: $ _____
EQUALS
Amount requested $ _____
(See Part One above)

Attach receipt, invoice or sales slip

_____
Signature of Requisitioner

_____
Print Name

_____
Signature of Petty Cash Clerk

_____
Print Name

Using the Fund as an Advance

Again . . . an example is the best explanation:

Bob Smith, the town maintenance man, is going to a hardware store in another town to purchase a new set of spindles for the faucets in the town council office's ladies washroom. The town does not have an account with this store. He is not sure of the cost but he does know that the spindles won't cost more than $30.00. He needs an advance from petty cash. Marie Walsh, the petty cash clerk will:

1. complete Part One (the top section) of a Petty Cash Voucher and sign the "Approved by" section

2. get $30.00 from petty cash, give it to Bob and get him to sign the "Received by" section

3. put the copy of the voucher in the petty cash box

Later in the day Bob returns with the spindles, a sales slip from the hardware store indicating the spindles cost $22.50 and the $7.50 in change from the purchase. He turns the sales slip and the change over to Marie who will:

4. get the voucher from the petty cash box
5. verify the goods were received, check the sales slip and initial it
6. confirm the difference between the sales slip and the amount advanced . . . which is $7.50 in our example
7. count the money returned (the amount should be equal to the difference between the sales slip and the amount advanced) . . . Bob turned in $7.50
8. complete Part Two - (bottom part of voucher), indicating the amount of money Bob returned and the actual cost of the spindles
9. sign in the appropriate place and have Bob sign, as well
10. give him a copy of the fully completed Petty Cash Voucher for his records
11. staple the sales slip to the office copy of the voucher and place in the petty cash box

Example of the Petty Cash Voucher used as an advance

Part One

Anytown Town Council
Petty Cash Voucher

Voucher Number 08 Date Oct 5, 2000

Paid to BOB SMITH

For FAUCET SPINDLES - LADIES WASHROOM COUNCIL OFFICE

Amount THIRTY DOLLARS $ 30.00

Payment received by Bob Smith Approved by Marie Walsh (Petty Cash Clerk)

Part Two

Date Oct 5, 2000

Amount spent : $ 22.50
PLUS
Amount returned: $ 7.50
EQUALS
Amount requested $ 30.00
(See Part One above)

Attach receipt, invoice or sales slip

Bob Smith
Signature of Requisitioner
BOB SMITH
Print Name
Marie Walsh
Signature of Petty Cash Clerk
MARIE WALSH
Print Name

Replenishing the Petty Cash Fund and Journal Entries

When the petty cash available gets too low and at the end of the year, the PETTY CASH FUND must be replenished or brought back to the original established amount and the appropriate journal entries made.

Procedures

1. Petty Cash Voucher amounts are totalled and the remaining cash is counted;

> **Remember . . .**
> The total of the vouchers plus the remaining cash must always equal the established petty cash fund

2. Prepare a Petty Cash Fund Report for council's approval attaching all the vouchers, invoices and sales slips taken from the petty cash box. The report outlines the distribution of the entries for the journal.

3. When the total of the voucher amounts is verified and the expenditures approved by council, the town issues a cheque for that amount, payable to "petty cash - <name of the petty cash clerk>" ;.

4. Amounts are posted to the Cash Payments (Disbursements) Journal to *credit* cash and *debit* the appropriate expense accounts;

5. The cheque is cashed at the bank and the proceeds put in the petty cash box and the cycle begins again.

Handling Petty Cash . . . Management Suggestions for Council

As council, you need to . . .

- ✧ authorize the use of a PETTY CASH FUND and approve the amount (the usual amount for a fund is $100.00).

  Note: Larger amounts are discouraged because it can prove tempting to pay bills using petty cash that should be approved at a council meeting and paid for by cheque.

  Petty cash should NOT be used
  IF A COUNCIL APPROVED CHEQUE CAN BE ISSUED.

- ✧ council or the Finance Committee should conduct "surprise" cash counts of the Change Float or the Petty Cash Fund.

- ✧ council must review and approve the Petty Cash Fund Report and the supporting documentation (the vouchers, receipts, sales slips)

- ✧ council, then, should authorize a cheque to replenish the fund

"Plastic" Money

"Plastic Money" comes in many varieties:

- bank debit cards
- credit cards, such as Visa and MasterCard
- telephone cards
- suppliers cards, such as those issued by Sears and Canadian Tire
- gas company cards, such as, Irving and Esso

These credit cards and other cards which a town may have should be subject to the same controls as other cash.

The person who possesses the card has full access to its use. The credit card purchase slips should be verified by the council and checked against the monthly statement prior to the balance on the statement being paid.

Telephone Calls

Telephone invoices should be checked in detail by council before approving them for payment. There should be a system in place to ensure that ***only calls related to council business are paid for.***

Councillors and staff making long distance calls on council business using their personal telephones should be reimbursed only when:

- the calls are authorized by the council (before or after the fact) and;
- supported by an original telephone bill and;
- a written explanation for the reason for the call is provided

    - A simple long distance telephone log can be used by both staff and councillors for this purpose

What to do When Council Suspects Something Wrong

What to do When Council Suspects Something is Wrong

The ***ONLY*** thing to do when you suspect something is wrong is to

DEAL WITH THE SITUATION IMMEDIATELY!

Do not try to handle situations on your own.
Ask for assistance
from Municipal and Provincial Affairs

Legal Implications for Councils and Councillors

Condoning a Theft or Fraud

There have been incidents in the past where a council, having discovered a fraud or a theft of municipal funds, did not ask the police to lay charges against the individual. Instead, they made a private arrangement with the thief to pay back the money, either all at once or over time. While not technically an illegal act, the councils in these cases have, in fact, condoned a theft.

Should a council, at a later date, want charges laid (usual reason: failure by the individual to pay back the money stolen) the police may have difficulty in making the case. Delaying any legal action in a theft or fraud situation makes it more difficult to gather the evidence needed to build the case. Documents and financial records, for example, could be altered or even disappear from the council office.

Also, your bonding insurance coverage will probably cease from the date you discovered the theft or fraud (this is the norm). The company providing your ***bonding insurance*** may limit the amount you can recover or declare your coverage null and void if it is determined that you failed to act immediately and appropriately when the theft or fraud was discovered. Be sure to read your policy for its limitations regarding this issue. Finally, a "forgiving" council may be sending the wrong message to its citizens and to other and future employees.

Liability Issues

If there really is criminal activity going on and you ignore it, by allowing it to continue or "condone" it, as above, council and individual councillors may be held ***accountable and liable*** for any losses that are discovered as a result of any subsequent investigation. People have a way of finding things out. The *Municipalities Act, 1999* does not protect councils or councillors from being held liable when the council has been proven negligent in managing the financial affairs of the town.

The Steps to Take:

1. Notify Municipal and Provincial Affairs anytime that you suspect a problem. MAPA will do a preliminary investigation and may or may not get involved further depending on the results of the investigation.

   If the suspicions concern possible theft or fraud related to council funds . . .

   Based on the preliminary investigation, MAPA may conduct their own in-depth inspection of the books of accounting of the town . . . If the inspection reveals:

   - no illegal activity but poor or non-existent financial management practices and procedures, MAPA will work closely with the town clerk and the council to establish a proper financial system.

   - possible illegal activity, the Department will make a recommendation to council for them to arrange for a forensic audit and/or contact the police.

   If the suspicions concern the possible theft or fraud related to council's other assets . . .

   Again, based on the preliminary investigation, MAPA will make a recommendation to council for further action, if necessary.

2. Council may have sufficient evidence of its own of wrongdoing to warrant direct action on its part.

   If council funds are involved . . .

   Council should request the auditor for the town to do a "forensic" audit which will analyze, IN DEPTH, the state of the town's finances.

   This step is absolutely necessary and cannot be avoided if the police are to become involved. The RCMP will require the forensic audit to be done. The cost is the responsibility of the council.

   If other council assets are involved . . .

   Council should go directly to the police.

   In either case in #2. above, the council should notify Municipal and Provincial Affairs of the situation and of the action taken.

Some Tips About Managing Your Other Assets

Some Tips About Managing Your Other Assets

Although this manual focuses mainly on how to manage your cash assets, there are other town assets that need attention, as well. Material and financial losses can occur if these assets are not properly controlled and managed.

Managing Other Town Assets

The Value of an Inventory

One of the key pieces of information that will help considerably in the management and control of the town's material assets is knowing exactly what assets the town has at any given point in time. This is accomplished by conducting, recording and maintaining a thorough inventory of all town material assets (other than buildings) e.g. vehicles, light and heavy equipment, tools, office equipment and supplies.

- An inventory is an itemized list of the town's material assets on hand at the time the listing was made.
- As material assets are purchased or disposed of, the inventory is updated to reflect the additions and deletions. Just as purchases must be approved by council, the disposal of council assets must receive council approval, as well.
- Proper forms and procedures should be in place to handle lost or stolen assets.
- All broken or worn out assets should be returned for proper write off from inventory and disposal by town.
- One person should be made responsible for control over town assets, while the written inventory should be maintained at the council office.
- From time to time the council should verify the inventory to ensure that listed assets are intact
- Any discrepancies in the inventory should be investigated immediately.

Vehicles and Heavy Equipment

- Use identification numbers for all vehicles and heavy equipment
- Use log book for each vehicle or piece of equipment eg: trucks, cars, plows etc.
- Ensure that vehicle log books are stored in each vehicle and are used. The log should record all information relevant to that vehicle or piece of equipment.
- A ledger card should be set up for each asset. Information from the log book and /or purchases would be recorded on each ledger card. These cards would remain at the office for scrutiny.
- Fully identify each purchase for each vehicle or piece of equipment, e.g: identification number, user or purchaser, odometer reading etc.
- Have each purchase signed and ensure that "employee copies" are submitted DAILY if possible.
- Purchase orders should be used whenever possible and practical, e.g. expenses over $100.00
- Match employee slips, purchase orders, to invoices and record the amount on the asset ledger cards.
- Have all invoices and the matching documents approved by the finance committee and/or council.
- Use of private vehicles should be supported by claims which are properly authorized and approved by the finance committee and/or council.

Portable Equipment and Tools

Log books for generators and pumps etc. should be located where the equipment is stored and completed when used.

Portable Equipment:

Water pumps, generators, chainsaws, power tools, etc. should:

- be painted with town colour
- be marked with an engraver and/or sticker
- have the serial and model numbers recorded.

These assets should be signed out and back into inventory so that control is kept over them.

Tools:

Shovels, rakes, picks, etc. should

- ➤ be painted with town colour
- ➤ marked with town identifying marks. (engraved, sticker, etc.)

An inventory should be made of all tools and it should be adjusted whenever a tool is added by purchase or removed due to being broken or worn out.

Office Equipment and Supplies

Office supplies should be carefully monitored by council. These items are usually small items and can easily disappear. The use of the photocopier should also be monitored.

Calculators, typewriters, computers, furniture etc should be inventoried where possible - purchases added and deletions subtracted from inventory. Large expensive items should be marked properly for easy and sure identification. Your local police force can assist in this regard.

Guidelines for the Disposal of Town Assets

- ✔ With the exception of office supplies which are used up over time, all disposal of material assets must be approved by council
- ✔ If council is selling an asset, it is wise to offer all the citizens of the community and/or region an equal opportunity to acquire that asset by using a tendering process. Advertisements regarding the disposal of any assets should be placed in a local newspaper and aired on any locally available media.
- ✔ Assets that are for sale by tender may be of interest to other potential purchasers outside of your region. You can advertise their sale in newspapers with a wider circulation.
- ✔ If council is giving an asset away, the council should advertize and hold a public lottery to dispose of the asset in a fair way.

Did you also know that . . .?

Council should never allow town assets to be borrowed by anyone, including councillors and council staff.

Why . . .?

Council remains liable for any accident, injury or loss that might occur while the asset is being used by other than town staff.

Such injury or loss may not be covered by the town's insurance.

Council may approve a donation of a town asset for legitimate purposes BUT must ensure that council staff either operate the asset or provide adequate supervision.

Council should be equally concerned about renting council assets.

Contact your insurance company to be sure of your coverage. when donating or renting council vehicles and equipment.

Did you know that . . .?

Assets that may be of interest to other municipalities can be advertised in the

NLFM InfoNOTE

General Financial Administration

General Financial Administration

Correcting Bookkeeping Errors and Making Adjustments

Occasionally, errors can be made in making bookkeeping entries. Some common errors are:

- incorrect name is recorded
- incorrect charge is posted
- incorrect credit is recorded

Avoid for your protection . . . If a manual bookkeeping systems is being used, never use white-out or an eraser to correct mistakes made in the financial records of the town. Financial records indicating the use of white-out and/or an eraser may raise questions about why the change was made. To auditors and forensic financial investigators, such types of corrections are automatic "RED FLAGS". If numbers or other entries are erased or covered with white-out this could indicate that illegal activity may be or is taking place.

Procedures for Correcting Bookkeeping Errors

- Correct errors by drawing a straight line through the incorrect figure so that it can still be clearly read and enter the correct amount directly above. Initial the correction and record the date the correction was made and the reason.

- If a mistake is found, after the fact, correct it with a subsequent (later) entry by identifying the entry being corrected or use a General Journal entry.

Procedures for Making Adjustments

- Do adjustments weekly

- Keep a record or log of adjustments, (see "Adjustments/ Write-offs Report" on Page 86)

- Adjustments have to be approved by council. The adjustment form or log can be initialed at the council meeting and attached to the minutes of council.

Payroll Considerations

Councils are often involved with a variety of work projects where additional employees have been hired and paid through council. When signing payroll cheques, *it is council's responsibility to know the details of these projects and who is on the payroll at any given time.*

The Payroll Journal

- All salaries/wages of town employees have to be recorded in a payroll journal.
- Salaries/wages have to be approved by council for payment through the payroll and recorded in the minutes.
- For convenience, the regular wages/salaries of full-time, can be approved for the full year during the first council meeting of the year.
- All cheques signed should be verified as being recorded in the payroll journal and council should be aware of all employees who are on the payroll at all times.
- Cheques for payroll should be signed only on a payday (unless there are layoffs). This way more than one cheque cannot be recorded and issued for the same employee, without being noticed.
- The payroll journal should be available during cheque signing and initialed by the person signing the pay cheques.
- Avoid having different cheque signers on any given payday, this would prevent more than one cheque being issued for the same employee, since the cheque signer would see the duplication.

Council and Staff Travel

Council members, municipal staff and sometimes others have to travel, from time to time, to carry out the business of the council. It is a cost of doing council business and is paid for by the council.

To maintain control of travel expenditures and to ensure that there is no abuse of this necessary compensation, travel policies need to be developed and followed by all who travel on behalf of the town.

General Information Re: Travel

Reimbursement

In most organizations, it is the general practice to reimburse people for travel costs after the travel has occurred and a claim for travel costs along with the required receipts have been submitted to council for approval.

Travel Advance

There will be special circumstances, however, when it would be appropriate to provide a "travel advance". A travel advance is money provided before the travel occurs and is administered it in the same way as a petty cash advance. (See "Handling Petty Cash" procedures on Page 49).

Clear Policies and Procedures

It is important for council to set clear policies regarding spending limits for all aspects of travel, as well as identifying acceptable expenses it is willing to pay for. Council needs to ask itself questions like: "What is the maximum we are going to pay for accommodation and meals?"; "How are we going to handle compensating someone who must use their own vehicle for council business?", "Will we cover babysitting costs, bar tabs or dry cleaning?" Definite procedures for compensating people for travel on council business and filing travel claims must also be established and followed.

Council also must ensure that travel reimbursements are not being made by another source. Accepting only ORIGINAL paid invoices or receipts will help in this regard.

The following are some ideas for what to include in a policy related to traveling on council business. These categories are commonly found in travel policies of other similar organizations. Also provided are some suggestions for how to deal with each area related to the travel.

Travel Guidelines

Personal Vehicle Use

People using their own vehicle for council business must be compensated at a reasonable rate to cover fuel, maintenance costs and wear and tear on the vehicle. All travel using a personal vehicle must be justifiable and a record of the details maintained. A form called, perhaps, the Personal Vehicle Usage Report could be developed easily and used to support a claim.

- For occasional personal vehicle use, council can approve a "*per kilometre*" rate to be paid after the travel is completed and a written claim is made to the council. As a guide, the provincial government will provide 28 cents per kilometre in 1999 and will increase that to 31.5 cents in April of 2000.
-

- If on a trip that will be a combination of council and person business then the individual should maintain a travel log during the journey recording odometre readings and explanations as required.

- If regular use of a personal vehicle is required by council then a monthly vehicle allowance should be considered. Remember that a monthly vehicle allowance is considered a TAXABLE BENEFIT to the person receiving the allowance and they must pay taxes on the amount received.

- With group travel, car pooling should be the standard approach.

Accommodation

Hotel, Motel, Bed and Breakfast etc.

- Council should set a maximum amount it will pay for accommodation.

- Pay for the cost of the room plus taxes only . . . all other room charges (except, possibly, meals) should be the responsibility of the individual, *unless directly related to council business and with the prior approval of the council (e.g entertainment expenses*) and therefore justifiable. Meals charged to the hotel room should be reimbursed at the council approved rates.

- Do not allow individuals to request the accommodation provider to "send the bill" to the council for payment.

Private Home

- If it saves money, some councils provide those who stay in the homes of relatives and friends, while on council business, a specified small amount of money that the individual hopefully will pass on to the host. The provincial government allows $25 per night for this purpose.

Meals

Per Diem Meal Allowance

- A "per diem" allowance is the most effective way of handling expenses related to meals while traveling. "Per diem" means "each day". It refers to a specific amount of money approved by council to be allocated each day or part of each day, to a person traveling on

  behalf of council. The money is to cover the cost of his or her meals for that day or part day. For example, the meal per diem for many Provincial Government employees is as follows:

Breakfast:	$ 7.30 -	must start travel at least 2 hours before start of regular business hours
Lunch:	10.95 -	can claim if on travel status after 1:00 p.m.
Dinner:	18.25 -	must complete travel 2 hours or later after close of regular business hours
TOTAL:	$36.50	

Council is free, of course, to determine a suitable and reasonable rate it can afford to pay.

- Per diem can be given in advance and signed for by the recipient or the per diem rates reimbursed after the fact. In either case, the amount advanced or claimed after the fact must appear on the travel claim submitted to council for approval.

- No receipts for meals are required to be provided.

Submitting Receipts

Another way of handling meals is to have people submit meal receipts after the completion of travel and then reimburse them for the amount they spent, up to a pre-approved maximum amount for each day.

Penny Pinching on Travel

Penny pinching on travel is not a wise practice.
By not allowing municipal staff and councillors to attend municipal training workshops, seminars, courses and conferences, here is what you miss:

✦ acquiring new skills and ideas to help make you better leaders or administrators ✦ learning from the experience of others in similar situations ✦ gaining and maintaining control of your finances ✦ learning effective problem solving and management skills and techniques ✦ staying current with what is going on in municipal government ✦ saving your council time, money and energy in dealing with municipal problems and issues.

The benefits far outweigh the cost of supporting municipal staff and councillors to attend continuing educational activities.

Developing a Filing System

Why it is Important

In today's municipal environment, records and information have become increasingly important to the efficient conduct of public business. Records serve the municipality as the "official memory" of past and future decisions. To use this memory, the records must be readily and easily accessible, protected from premature destruction and disposed of once their value ceases.

Regardless of the size of your town, an efficient, logical and easy to use records management system is required. One that is easy to use is the familiar "alphabetic" system. This system is described on the following pages.

Don't Forget Your History!

Many municipalities are unaware of the historical value of their documents. The Provincial Archives is very interested in your town records. Council meeting minutes, town maps and photographs are examples of the type of records that have historical significance to both the town and the province.

Some councils routinely send copies of their council meeting minutes to the Archives for their information and preservation. If you have a local museum or archives, they too would be interested in the town's records from an historical perspective.

Special Note . . .

If you want more information about the services of the Provincial Archives and how they can assist your town with the preservation of your records call 729-3069 .

For more information on the safe preservation, storage and disposal of your towns records call the Provincial Records Manager at 729-3628

Basic Filing Needs

If you do not have a system and you want to set one up, there are some basic materials and equipment that even the simplest filing system will require.

1. Filing cabinets - of legal size and of good quality with sufficient capacity to handle the number of files requiring storage.

2. File folders - what information is placed into when filed. Purchase the reversible type - you can turn them inside out to reverse the file folder tab from the left side to the right side" (Rather than have all file folder tabs behind each other.) They come in a variety of colours that you can use for different types of files.

3. File dividers - stiff separators to go between the groups of file letters or categories (e.g. A, B, C, etc.)

4. Divider tabs - if using the alphabetic system you can purchase tabs containing a letter of the alphabet. If using an encyclopedic system, you can buy plastic covered blank divider tabs and type or print the categories of files on the blanks. In each case, the tabs are attached to the file dividers.

5. File folder tabs - where the name/title of a file is written to identify the file folder. These also come in a variety of colours so you can colour code your files.

Important to Note:

Records for each year should be separated.
This is especially important for records that will be used by the Municipal and Provincial Affairs Analysts for inspection purposes and for the town's independent auditor.

The Alphabetic System

This simple system uses the letters of the alphabet as the basis for the filing. It is used most often when there are few records to manage.

NOTE: If, however, you have large numbers of files to manage, you may want to investigate a more in-depth approach to filing municipal records.

Appendix D - "Managing Large Numbers of Municipal Records" beginning on Page 89 of this manual gives information on such an approach.

The Set Up

- Use one filing cabinet or drawer for current year's files and another filing cabinet or drawer for prior year's files. File all other previous years in cardboard file boxes and place in storage.

- Place 26 file dividers with the tabs attached from A to Z in each filing cabinet drawer.

- Set up file folders between the dividers according to the name or title required on the file folder tab.

  ➤ Some minor classifying may be helpful. For example:

  You may want to set up a single file grouping for the various provincial government departments that you have regular dealings with. The files would be all in one place under the heading "Government of Newfoundland and Labrador" which would be found in the "G" section. Under this heading would be file folders, one for each department, in alphabetical order.

  Set up a filing group called "Invoices" in the main letter "I" section. Each of the business that you do frequent business with should have a separate file. "One-time-only " invoices or ones with few transaction with then town per year can be filed together in a file labeled "Invoices - General".

- Reverse each 2nd file folder to make it easier to see the name/title which you have written on each file folder tab. This will make it easier to see the file folder tabs as they will be staggered . . . left, right, left, right..

- File everything, except junk mail, it makes it much easier to find correspondence and other documents, and keeps the office organized.

Basic Principles of Alphabetizing

1. Separate each name into units

2. Consider the sequence of all the letters in the first unit before paying attention to the next unit.

3. Apply the principle of "nothing before something".

First Unit	Second Unit	Third Unit
Brown	A	
Brown	A	S
Brown	Adam	
Brown	Adam	R
Brownard	Arron	
Browne	Albert	
Browne	Arnold	
Browne	Arnold	B

Each name or single letter has been considered as a separate unit.

Rules For Alphabetizing

1. Last name first, then first name or initial, then middle name or initial.

2. Surnames with prefixes such as De, La, Mac, and O' are filed as one word in alphabetic order

   O'Leary Oleary

3. When impossible to determine the first or last name it is filed as written.

4. Hyphenated and compound last names are treated as one unit

   Allen-Smith, Paul St. John, Ann

5. Titles that are an important part of the name are considered as the first unit, whether in personal names or shops, etc.

   PRINCE Henry Theatre SISTER Mary Theresa

   But when a title is added to a full name it is considered as the last unit, as in . . . Stacy, Hugh, Father.

   Other titles and appendages, such as Sr., Jr., Ph.D. etc. are also considered as the last unit.

6. Abbreviations are alphabetized as though they are spelled out

   Herbert St. John Saint John Herbert

7. Business and organizations as written unless it's the name of an individual.

8. Business name of more than two surnames, file as written, considering each name as a separate unit.

9. Hyphenated name or word considered as one unit.

10. Letters used as a name, each letter a separate unit.

    AA Accounting Service ABC School

11. An article that begins a name is disregarded

    The Glynmill Inn Glynmill Inn, The

Exception: When the article is considered a part of a geographic name.

The Ball Diversion, Newfoundland

Prepositions that begin a name are considered.

For men, furnishings

12 Numeric names are filed as though spelled out. Numbers of more than 2 digits are given their proper numeric value unless they are spoken otherwise.

400 Club	Four Hundred Club
333 Building	Three Thirty Three Building

13. Names containing compass terms should be filed as written

North East Bank

14. Names of governmental units are filed under the name of the location or political division followed by the significant word or title. The name of the political entity (federal, province,) is understood but it is not considered in filing unless it is part of the name.

City Clerk of Mount Pearl	Mount Pearl City Clerk

Appendices

Appendix A

The Need for Adopting Financial Standards

Adopting financial recording and reporting standards at the municipal level is important. These standards set the rules for measuring, recording and reporting financial information used for management decision-making and accountability.

Having complete, understandable, accurate and comparable financial information available will make it easier for financial decisions to be made not only by municipalities, but also by provincial officials and the general public. This is especially true when these groups are faced with tough decisions surrounding regionalisation, downsizing and alternative program delivery.

While financial reporting may not appear to be a priority in the changing environment of municipal government, having complete financial information that can be used for making the types of financial decisions necessary in that environment is vital.

Financial decisions, such as those related to amalgamation, downsizing and alternative program delivery choices will need to be made not only by municipal administrators, but also provincial officials and the general public. Having complete financial information available is fundamental to making those decisions.

Objectives of Municipal Financial Statements

Objective 1
Financial statements should communicate reliable information relevant to the needs of those for whom the statements are prepared, in a manner that maximizes its usefulness. As a minimum, this requires information that is clearly presented, understandable, timely and consistent.

Objective 2
Financial statements should provide an accounting of the full nature and extent of the financial affairs and resources for which the local government is responsible including those related to the activities of its agencies and enterprises.

Objective 3
Financial statements should demonstrate the accountability of a local government for the financial affairs and resources entrusted to it.

(i) Financial statements should provide information useful in evaluating the local government's performance in the management of its financial affairs and resources.

(ii) Financial statements should provide information useful in assessing whether financial resources were administered by the local government in accordance with the limits established by the appropriate legislative and regulatory authorities.

Objective 4
Financial statements of a local government should account for the sources, allocation and use of the financial resources in the period.

(i) Financial statements should account for expenditures by function and object, revenues by source and type and the extent to which revenues were sufficient to meet expenditures.

(ii) Financial statements should show how the local government financed its activities in the period and how it met its cash requirements.

Objective 5
Financial statements should present information to display the state of a local government's finances.

(i) Financial statements should present information to describe a local government's financial condition at the end of the accounting period.

(ii) Financial statements should provide information useful in evaluating the ability of a local government to finance its activities and to meet its liabilities and commitments.

To meet these objectives it is recommended that any set of public sector financial statements should have certain attributes, for example, financial statements should:

- be clearly identified and should include an acknowledgment of who is responsible for their preparation;
- include a comparison of current period amounts with those of the prior period;
- be issued on a timely basis; and
- include, as a minimum, a statement of financial position, a statement of financial activities and a statement of changes in financial position.

Appendix B

Dealing with NSF Cheques

When council is advised by their bank that a cheque which council has deposited "bounced" due to Not Sufficient Funds (NSF) at the payers bank, then council has to have procedures in place to handle such an occurrence.

Remember:

- that a receipt had been issued at the time the cheque was accepted
- the receipt for which the cheque was originally issued is no longer valid.
- the records must be adjusted or notes made to flag the fact that the original receipt is no longer valid.

If using a computer, simply making a proper adjustment will reverse all the records back to their original standing.

Notify the Payer

The payer who issued the cheque should be contacted immediately and:

- be advised of the NSF cheque and;
- that currency, certified cheque or money order is required to replace the amount of the NSF cheque plus the bank's NSF cheque service charge and any other handling charges.

NOTE: Council should consider establishing its own handling charge in addition to the bank's charges. Some municipalities charge an additional $20 to NSF cheque writers.

In the manual system, notes should be made whenever possible: on the receipt copy, on the deposit copy, in the journal and on the taxpayers ledger card.

The taxpayer may come in immediately or much later with the required money.

Receipting the Make-up Payment

- If computerized, because the original receipt was adjusted out of the system, a new receipt is issued and entered using normal procedures.
- If manual, issue a receipt but cross reference it back to the original receipt for the NSF cheque and visa versa.
- Make a separate deposit for the replacement money and note on the copy of the deposit a full explanation of the occurrence stating dates and receipt numbers.
- If the original receipt still stands in the records then do not record the second receipt amounts in the journal or the ledger cards. Make notes as to why you are not recording the amount. This is applicable only to the amount of the NSF cheque.
- The NSF charges and the handling charges still have to be recorded from the receipt.

Appendix C

Sample Format for Writing Policies and Procedures

Here is a sample of a format that can easily be used or adapted for use in a manual: NOTE: Except for the policy statement, point form is suggested for all other sections.

Town Of Anytown
Financial Policies and Procedures

Policy No.:	**Page** _____ **of** _____	
Effective Date:	**Revision No.:**	**Revision Date:**
Issued By:	**Date of Council Approval:**	
Policy Topic:		

Policy Statement

>> Write a clear statement of what the policy is here <<

Specific Objectives (optional)

>> Some municipalities will include the specific objectives of the policy here <<

>> This is helpful when asked to explain to others, especially taxpayers, why a policy exists <<

Responsibilities

>> If more than one person is involved with carrying out the policy, the details of who is responsible for what should be outlined here <<

>> Council's responsibilities for monitoring compliance should be detailed here <<

Procedures

>> The specific procedures for carrying out the policy should be listed in this section <<

>> If more than one set of procedures is required to carry out the policy (eg. using petty cash and replenishing petty cash) then simply use a separate heading for each set of procedures <<

Guidelines

>> Any additional guidelines that help people understand and follow the policy go here <<

Appendix C

Sample Policy and Procedures . . . Issuing Receipts

Note: This sample assumes one administrative employee, the town clerk, operating in a non-computerized environment.

Town Of Anytown

Financial Policies and Procedures

Policy No.: 017	Page 1 of 3	
Effective Date: May 22, 2000	Revision No.:	Revision Date:
Issued By: The Anytown Council Finance Committee	Date of Council Approval: May 17, 2000	
Policy Topic: Issuing Receipts		

Policy Statement

Whether one is requested or not, an official receipt will be prepared and issued by the town clerk or, in the absence of the town clerk, the acting town clerk, for all currency, cheques, money orders and bank drafts (i.e. cash) received on behalf of council. Such cash will be accepted and receipts issued ONLY during the regular business hours of the council office. Only a council approved receipt book shall be used. Council has the right to review the town clerk's receipting procedures and the receipt books at any time. At no time, shall councillors accept cash payments from others for council levied bills.

Specific Objectives

- Issuing receipts for all cash received, facilitates the balancing of the cash for deposit purposes. The cash on hand (less the Petty Cash and the Change Float) MUST equal the receipts issued since the last bank deposit.
- Accepting cash payments only during regular council business hours allows for an orderly receipting process as well as the timely updating of council records (eg. taxpayer and other accounts). It also helps protect the cash assets of the town from accidental or inadvertent loss.

Responsibilities

Town Clerk

- The town clerk or, in the absence of the town clerk, the acting town clerk, shall be responsible for following the council prescribed and approved procedures for issuing official receipts and for the safekeeping of the council approved receipt books.

The Council

- Council shall prescribe and approve the receipting procedures and the number of receipt books to be available for use at any given time.
- Council shall monitor, in a manner and at a frequency to be determined by council, the receipting system to ensure compliance with the council approved procedures. Municipal and Provincial Affairs are to be contacted if any discrepancies are found.

Appendix C

Town Of Anytown
Financial Policies and Procedures

Policy No.: 017	Page 2 of 3	
Effective Date: May 22, 2000	Revision No.:	Revision Date:
Issued By: The Anytown Council Finance Committee	Date of Council Approval: May 17, 2000	
Policy Topic: Issuing Receipts		

Procedures

Town Clerk

- When money is received in the form of a cheque or money order, immediately and always stamp the back of the cheque with "for deposit only to the credit of 'The Town Council of Anytown'.
- Council approved receipt books will be used. Receipts should be pre-printed and:
  - in a book format with four to a page
  - pre-numbered sequentially i.e 001, 002, 003
  - self-duplicating
  - on each receipt shall be printed "If cheque not cleared for payment, this receipt becomes null and void"
  - recorded in the Cash Receipts Journal in numerical order
- Prepare the receipt, including all the pertinent information and clearly indicating what the money was for.
- Send or give the original to the individual, company or organization.
- If a receipt is **not** requested by the payer... ***prepare and give or send a receipt anyway.***
- When writing a receipt for a cheque, always record the cheque number (#) on the receipt.
- Never write an official *cash* receipt for post-dated cheques. Instead, issue a 'Notice of Cheque Received'. Issue and send the official receipt for a post-dated cheque on the day it becomes due.

Town Council - In a random and frequent manner to be determined by council:

- Count the receipt books in use and compare to the number approved to ensure that none are missing and that they are numerical order.
- Review tax accounts to determine if they are in arrears. If so, check with the taxpayer or the company for verification.
- Note the late deposit of large cheques.
- Verify receipts have been issued for large cheques.
- Note any changes to the copies of the receipts or where they are recorded in the 'Receipts Journal'.
- Match the receipts to the deposits.

Appendix C

Town Of Anytown
Financial Policies and Procedures

Policy No.: 017	Page 3 of 3	
Effective Date: May 22, 2000	Revision No.:	Revision Date:
Issued By: The Anytown Council Finance Committee	Date of Council Approval: May 17, 2000	
Policy Topic: Issuing Receipts		

Guidelines

The clerk shall prepare and use the following 'Notice of Post-dated Cheque Received'.

Town Council of Anytown
Notice of Post-dated Cheque Received

Current Date _____

Post-dated cheque received from _____

Amount _____ $ _____

For _____

Post-date on Cheque _____

_____
Signature of the Town Clerk

This is NOT an official receipt

An official receipt will be issued on the due date for the cheque

Appendix D

Financial Transactions Summary

For the Period Covering _____ To _____

1. **Total cash received since last report** $_____

   Receipt #_____ to Receipt # _____
   (see attached Cash Inflow Report)

2. **Total payments since last report** $_____

   Cheque #_____ to Cheque # _____
   (see attached Cash Outflow Report)

3. **Total adjustments/write-offs since last report** $_____

   See attached Adjustments/Write Off's Report

4. **Monthly Bank Reconciliation**

   Must be compared to submitted deposit amounts and cheques

Sample form - a variety of forms can be compiled in conjunction with auditors.

Appendix D

Cash Inflow Report

For the Period Covering _____ To _____

Receipt Numbers	Date	Amount	Deposit Date	Deposit Amount
Total		$		$

Difference, if any, is the amount of cash on hand at the end of each month.
The amount should equal the first deposit in the next month.

Appendix D

Cash Outflow Report

For the Period Covering _____ To _____

Cheque #	Date	Amount	Payee	Description
	Total	$		

Appendix D

Adjustments Report

For the Period Covering _____ To _____

Number	Date	Amount	Explanation
Total		**$**	

Bank Reconciliation Form

Appendix D

Outstanding Cheques	
Number or Payee	**Amount**
Total Outstanding Cheques Follow the arrows and transcribe the total	

To balance this statement with your records:

1. Check off all items in your Cheque Register that are shown on your most recent bank statement
2. List the amounts not checked off (outstanding cheques) in the space provided on the left.
3. Enter into your Cheque Register any service charges and other items that appear on your bank statement but not in your records.

   Enter the new balance below (cheque book balance)
4. Complete the "reconciliation" below

Balance showing on bank statement	
PLUS: Deposits made after statement closing date	
SUB-TOTAL	
LESS: Outstanding cheques	
EQUALS	
Cheque book balance	
DIFFERENCE (if any)	

If the two balances do not agree:

1. Re-check the additions and subtractions above and in your cheque book register
2. Compare amounts recorded on the bank statement to amount recorded on your records
3. Verify the balance forward from page to page in your register
4. Check for bank entries on bank statement
5. Check whether cheques outstanding on last month's statement have been cashed.
6. If there is a difference you cannot locate, contact Municipal and Provincial Affairs for help.

Reviewed By: _____
Councillor Signature

Date: _____

Sample of One Page Only

Town of Anytown

2000 Operating Budget - Expenditures - Variance Report - To April 30, 2000

Function, Program, Sub-Program	Year 2000 Budget	Year to Date Actual	Variance or Balance	Percent Used
1.0 General Government				
1.1 Council				
.04 Travel (private car)	$1,200.00	$400.00	$800.00	33.34%
.05 Supplies (reception)	$2,000.00	$342.81	$1,657.19	17.14%
1.2 General Administration				
.01 Salary (Clerk)	$27,300.00	$8,613.85	$18,686.15	31.55%
.02 Employee Benefits (Employer Share)	$1,000.00	$237.76	$762.24	23.78%
.03 Payroll Burden (Employer share CPP/UIC)	$2,000.00	$686.62	$1,313.38	34.33%
.05 Supplies	$10,000.00	$5,700.00	$4,300.00	57.00%
.06 Purchased Services Other than Ins. Workers Comp/Assessment Review Comm.	$1,100.00	$1,300.00	**($200.00)	118.18%
.07 Professional Services (Audit, Legal, Collections)	$3,000.00	$3,500.00	**($500.00)	116.67%
.08 Insurance - All	$3,100.00	$2,215.89	$884.11	71.48%
1.4 Property Assessment Services	$12,500.00	$3,521.00	$8,979.00	28.17%
Continue, using your annual budget submission as a guide Develop a Variance Report for REVENUES, as well . . . the percentage reported will be the ***percent received.***				

This example of a variance report shows the difference between the approved budget for the year and actual expenditure to date (The variance). It also shows the percentage of the budget used and the available balance.

**** NOTE: Figures shown in brackets "( )" mean that council is 'over-budget' in that program or sub-program i.e. the budgeted amount has been exceeded by the amount in the brackets. It indicates a negative amount.**

Appendix D

Sample Petty Cash Fund Report

Town of Anytown			Petty Cash Report	Period - May 2 to May 30, 2001			
Date 2001		Voucher No.	Description	Receipts		Payments	
May	1		Approved Petty Cash Fund	100	0		
	2	1	Cleaning			10	0
	4	2	Postage			8	50
	7	3	First Aid Supplies			15	85
	9	4	Delivery-Truck parts			8	0
	14	5	Delivery-Truck parts			15	0
	16	6	Office supplies			16	58
	28	7	Wreath - Ms. J. Marple			20	0
			Totals	100	0	93	93
			Ending Cash Balance in Fund			6	7
						100	0
			Ending Cash Balance in Fund	6	7		
May	30		Replenishment Amount	93	93		
	30		Approved Petty Cash Fund	100	0		

Replenishment requested by: _____
Signature of Petty Cash Clerk

Approved by:

_____ _____
Authorized Council Signature Council Meeting Date

_____ _____
Date Petty Cash Fund Replenished Cheque Number

NOTE: In this sample, council met on May 30, 2001

Appendix E

Managing Large Numbers of Municipal Records

There is no doubt that the alphabetic method of filing is the simplest records management system to use. It is useful when there are few records or files to deal with. If larger numbers of records need to be filed, retrieved and stored annually, then the "Alpha Numeric" system or something similar is suggested.

The organizing principal is ***function***, arranged alphabetically by ***subject.*** The municipal subject headings have been derived from a wide variety of filing plans from local government organizations in a number of provinces.

Smaller municipalities will most likely use the more general headings shown in this Appendix. Larger units may need to expand some of the sections into larger, more detailed file plans.

Primary File Categories

PART A	**ADMINISTRATION**	**0100-2999**
Section 1	Administration	0100-0699
Section 2	Buildings, Facilities and Properties	0700-0999
Section 3	Equipment and Supplies	1000-1299
Section 4	Information Systems and Services	1300-1599
Section 5	Finance	1600-2199
Section 6	Legal Matters	2200-2499
Section 7	Personnel	2500-2999
PART B	**OPERATIONS**	**3000-9999**
Section 8	Land Administration	3000-3699
Section 9	Legislative and Regulatory Services	3700-4699
Section 10	Community Services	4700-5199
Section 11	Engineering and Public Works	5200-5799
Section 12	Parks Administration	5800-6399
Section 13	Planning and Development	6400-6999
Section 14	Protective Services	7000-7699
Section 15	Recreation and Cultural Services	7700-8299
Section 16	Transportation and Transit Services	8300-8799
	Unassigned	9000-9999

Detailed Breakout of Files

Section I
0100-ADMINISTRATION - 0699

0110	Administration - General
0125	Acts and Legislation - General
0220	Appreciation, Complaints, Inquiries
0230	Associations, Clubs, Societies
0330	Ceremonies and Celebrations
0340	Circulars, Directives, Orders, Manuals
0360	Committees and Commissions/Meetings - General
0400	Cooperation and Liaison - General
0410	- Government of Nfld. and Labrador
0430	- Federal
0470	- Other Local Governments
0490	Schools, Universities and Colleges
0530	Council - General
	- Committees
	- Meetings
0600	Office Services
0610	Plans and Programs
0620	Proclamations and Special Declarations
0630	Reports and Statistics - General
0660	Risk Management and Insurance
0680	Visits and Tours

Section 2
0700 - BUILDINGS, FACILITIES AND PROPERTIES - 0999

0710	Building and Properties - General
0730	Buildings - General
0830	Communications - General
0890	Properties (Municipal Owned) - General
0970	Utilities - General

Section 3
1000 - EQUIPMENT AND SUPPLIES - 1299

1010	Equipment and supplies - General
1015	- Vendors
1025	Asset Control and Inventories
1050	Catalogues, Manuals, Price lists
1090	Disposal and Surplus
1200	Procurement - General
1210	- Purchase Orders and Requisitions
1220	-Tenders and Quotations
1280	Vehicles

Section 4

1300 - INFORMATION SYSTEMS AND SERVICES - 1599

1310	Information systems and services - general
1320	Archives
1330	Computer Systems - General
1450	Mail, Postal, Courier Services
1470	Public Relations - General
1490	Records Management - General
1520	Word Processing

Section 5

1600 - FINANCE - 2199

1610	Finance- General
1615	Accounting - General
1630	Accounts - Payable
1640	- Receivable
1680	Audits
1690	Banks and Banking
1700	Budgets - General
1810	Fees and charges - General
1850	Grants
1900	Salaries and Wages - Benefits and Services
1920	- Payroll
1950	Taxation - Assessments
1970	-Taxes Collected
2000	-Taxes Paid

Section 6

2200 - LEGAL MATTERS - 2499

2210	Legal Matters - General
2220	Accidents
2240	Agreements - General
2300	Claims
2320	Contacts - General
2360	Easements and Rights of Way
2380	Leases
2400	Legal Opinions

Section 7
2500 - PERSONNEL - 2899

2510	Personnel - General
2520	Accidents and Injuries
2590	Employees - General
2600	- Current
2620	-Terminated
2660	Labour Relations - General
2800	Training and Development - General
2830	Volunteers

Section 8
3000 - LAND ADMINISTRATION - 3699

3010	Land Administration - General
3030	Development - General
3200	Properties - General
3360	Zoning and re-zoning

Section 9
3700 - LEGISLATIVE AND REGULATORY SERVICES - 4699

3710	Legislative Services - General
3760	Building Regulations - General
3900	By-Laws
4000	By-Law Enforcement
4100	Cemetery Administration
4200	Elections
4300	Licenses - General
4500	Permits - General

Section 10
4700 - COMMUNITY SERVICES - 5199

4710	Community Services - General
4900	Public Health - General

Section 11
5200 - ENGINEERING AND PUBLIC WORKS - 5799

5210	Public Works and Engineering - General
5280	Environmental Management - General
5300	Inspection and Testing
5340	Sewerage - General
5400	Streets and Roads - General
5450	Traffic Control - General
5500	Utilities - General
5600	Water Supply and Distribution - General

Section 12

5800 - PARKS ADMINISTRATION - 6399

5810 Parks Administration - General
6140 Parks - Individual

Section 13

6400 - PLANNING AND DEVELOPMENT - 6999

6410 Planning and Development - General
6440 Community Planning - General
6750 Economic Development
6850 Heritage Conservation and Preservation
6930 Revitalization and Re-development

Section 14

7000 - PROTECTIVE SERVICES - 7699

7130 Emergency Services - General
7200 Fire Protection - General
7400 Police Services - General

Section 15

7700 - RECREATION AND CULTURAL SERVICES - 8299

7800 Cultural Activities
7930 Museums
7960 Public Libraries - General
8000 Recreation Programs - General
8100 Special Events

Section 16

8300 - TRANSPORTATION AND TRANSIT SERVICES - 8799

8500 Transit - General

Key Contacts

Key Contacts

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McCurdy Complex
Gander NL A1V 2N9
Phone: (709) 256-1051
Fax: (709) 256-1060

Western Regional Office
Regional Manager
Sir Richard Squires Building
c/o P.O. Box 2006
Corner Brook NL A2H 6J8
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Eastern Regional Office
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